



— OFFICE of —
INSPECTOR GENERAL

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UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT



DISASTER RECOVERY DIVISION BIANNUAL REPORT

October 2024 to March 2025

REPORT NUMBER 2025-FW-0003

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ABOUT THIS REPORT

Our office safeguards HUD's programs from fraud, waste, and abuse and identifies opportunities for HUD programs to progress and succeed. To aid in oversight of HUD's disaster recovery program, this biannual report focuses on disaster recovery funding and spending. Upcoming reports will focus on other areas in HUD's disaster recovery portfolio and issues of interest as they emerge. We produced the report in accordance with Quality Standards for Federal Offices of Inspectors General issued by the Council of the Inspectors General on Integrity and Efficiency (August 2012). The work adheres to the professional standards of independence, due professional care, and quality assurance, and followed procedures to ensure accuracy of the information presented.

We used information from HUD's Disaster Recovery Grant Reporting (DRGR) system, which is the system of record for disaster grantees, as of March 3, 2025 (unless otherwise noted). For purposes of this report, we did not validate the information within DRGR.



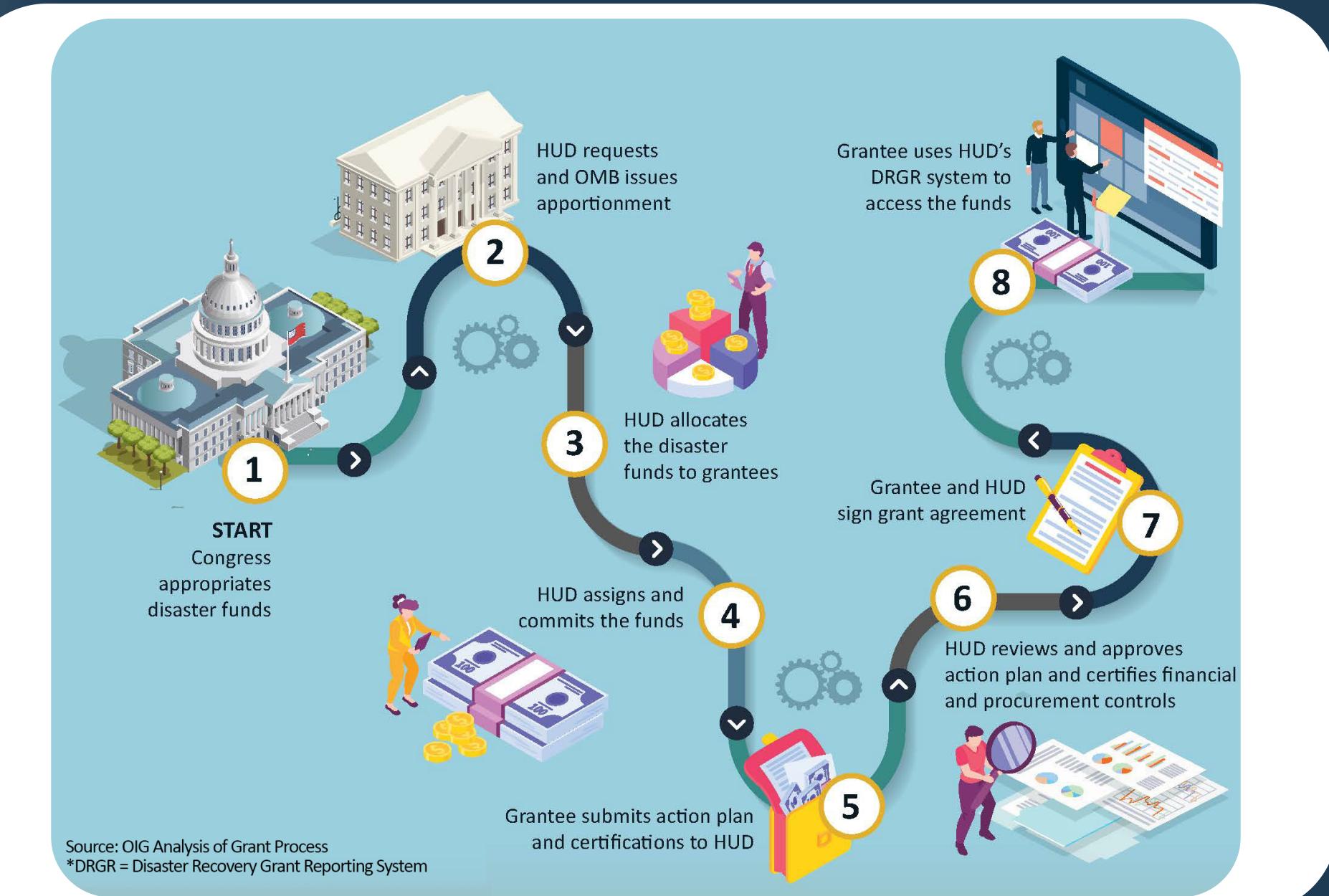
DISASTER RECOVERY FUNDING PROCESS



When the President declares a 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. There are timing differences that occur between the disaster declaration, Congressional appropriation, and when grantees receive disaster recovery funds. After appropriation, HUD's Office of Community Planning and Development allocates the funding to grantees and identifies the most impacted and distressed areas. Although most of the funding goes to States, grantees can also include

territories, cities, counties, and parishes. Since grantees are more familiar with their geographical areas, community needs, and disaster impacts, they prepare action plans to inform HUD and the public on how they intend to use the funding. After HUD reviews and approves the action plans and required certifications, grantees have access to the funding to spend in accordance with established guidance and their action plans. Grantees may spend the funds directly or use subrecipients to complete the activities laid out in the grantees' action plans.

DISASTER RECOVERY FUNDING PROCESS



CONGRESSIONALLY APPROVED FUNDS

Since 2001, HUD has provided more than \$109 billion in disaster recovery funds to 107 grantees in response to various disasters across our Nation and territories and to mitigate damage from future disasters. As of March 2025, the largest funded disasters were Hurricanes Katrina, Rita, and Wilma in 2005 for more than \$19 billion and Hurricanes Harvey, Irma, and Maria (HIM) in 2017 for more than \$17 billion.

Of the 21 funded disasters, grantees for 9 disaster events have spent at least 90 percent of their grant funds, with none of the grants fully spent. All but one of those nine disasters occurred before 2014. The remaining 12 disasters range from less than 1 percent to 89 percent spent. For the “A2G” and “2023/24 Maui wildfire and other disasters” appropriations, the funds have been recently approved and allocated. HUD and the grantees need to sign grant agreements before the funds can be used.



CONGRESSIONALLY APPROVED FUNDS

At a Glance



107
Grantees

\$109.8
Billion
Allocated

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	\$11,889,437,000	<div style="width: 100%;"><div style="width: 100%;"></div></div>
2023 Storms, Flooding, & Other Disasters in California, Alabama, and Georgia	\$138,020,000	\$137,845,557	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2022 Disasters including Hurricanes Fiona & Ian	\$3,395,351,000	\$3,240,939,144	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2020 Hurricanes Laura, Delta & Zeta (LDZ)/2021 Hurricane Ida & Wildfires (IDF)	\$6,470,553,000	\$5,132,012,746	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2019 Disasters	\$521,563,000	\$304,136,494	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2018 Disasters	\$2,927,732,000	\$1,585,988,371	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2018 Electrical Fire Systems in Puerto Rico & U.S. Virgin Islands	\$2,000,000,000	\$1,994,435,226	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2017 Hurricanes Harvey, Irma, and Maria (HIM)	\$17,851,484,000	\$7,990,400,930	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2016 Louisiana Floods and Other Events	\$2,604,529,000	\$246,311,213	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2015 Hurricanes Joaquin & Patricia & Other Events	\$400,447,000	\$41,100,136	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2015-2018 Mitigation (Includes HIM)	\$16,121,297,000	\$14,445,741,473	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2013 Natural Disaster Resilience	\$999,108,000	\$338,136,003	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2011 Multiple Disasters	\$400,000,000	\$32,788,362	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2011-2013 Hurricane Sandy and Other Events	\$14,181,853,078	\$808,510,880	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2010 Severe Storms and Flooding	\$99,094,272	\$2,158,363	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2008 Hurricane Ike and Other Events	\$6,094,810,135	\$134,018,890	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2008 Midwest Floods	\$299,873,096	\$5,282,354	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2005 Hurricanes Katrina, Rita, & Wilma	\$19,666,374,581	\$157,637,611	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2003-2004 Multiple Disasters	\$146,452,997	\$970,529	<div style="width: 99%;"><div style="width: 99%;"></div></div>
2001 World Trade Center	\$3,483,000,000	\$45,743,498	<div style="width: 99%;"><div style="width: 99%;"></div></div>



OVERALL DISASTER FUNDING AWARDED



As shown on the map (see page 8), disasters have impacted almost every area of the Nation and territories. A grantee may have responsibility for multiple grants. Individual grant amounts range from \$585,000 (Kauai County, Hawaii) to more than \$8.2 billion (Puerto Rico).

Due to the extent of damage, disaster recovery grantees often receive much more funding to respond to catastrophic events than they receive annually from HUD, which could

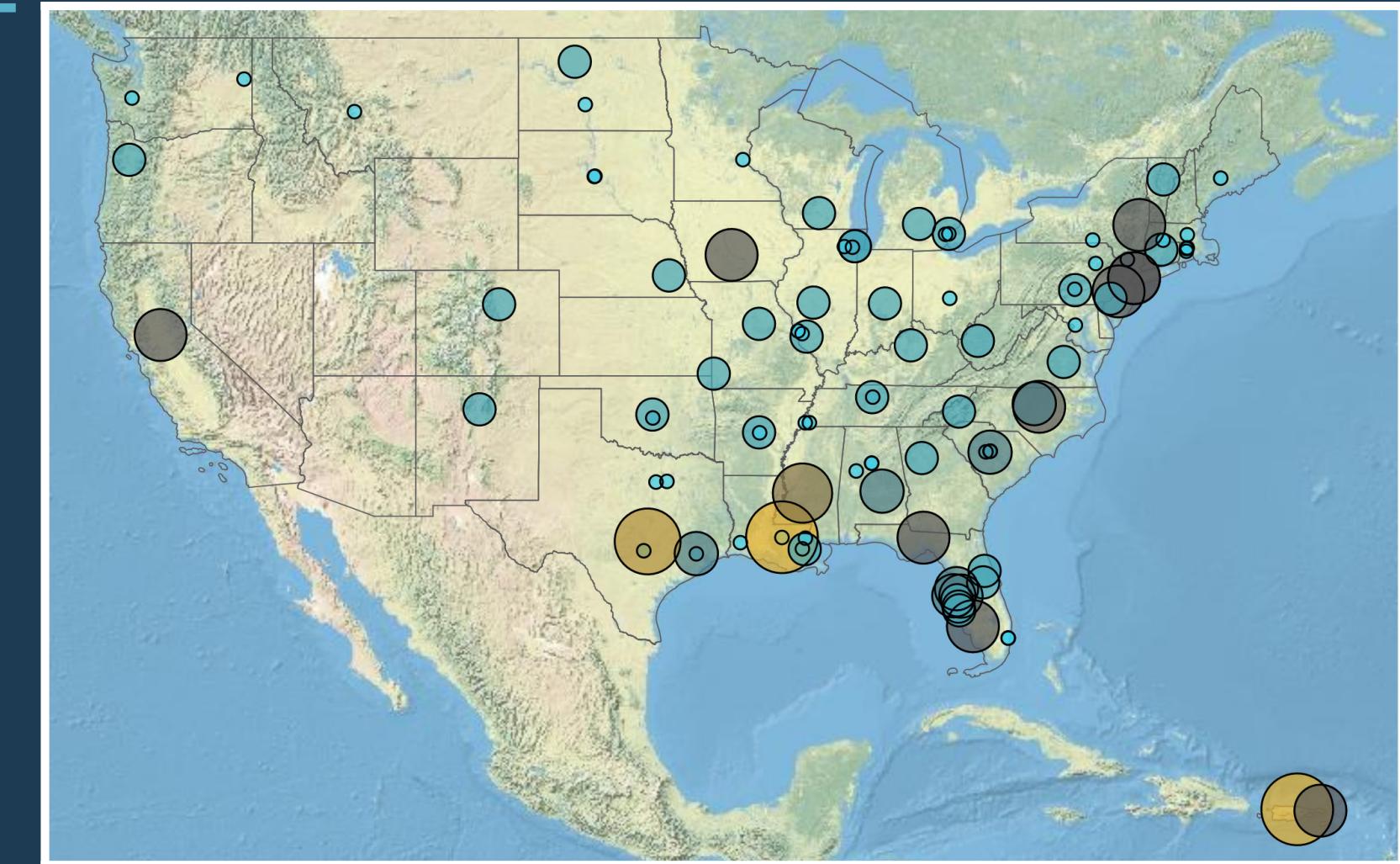
impact the grantees' capacity to administer the grants and HUD's ability to provide oversight as stated in our report on [HUD's Top Management Challenges](#). HUD requires grantees to spend their grant funds on eligible activities, generally within specified deadlines. In January 2025 (updated March 2025), HUD published a Universal Notice to provide disaster grantees with consistent guidance to administer its grant programs, for communities recovering from disasters.

ADDITIONAL DISASTER RECOVERY GRANTEES (NOT ON MAP)

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



OVERALL DISASTER FUNDING AWARDED



The center of the bubbles represents the location of the grantee that received the funding and does not represent the location of the disaster-related damage.



DISASTER RECOVERY GRANTEES

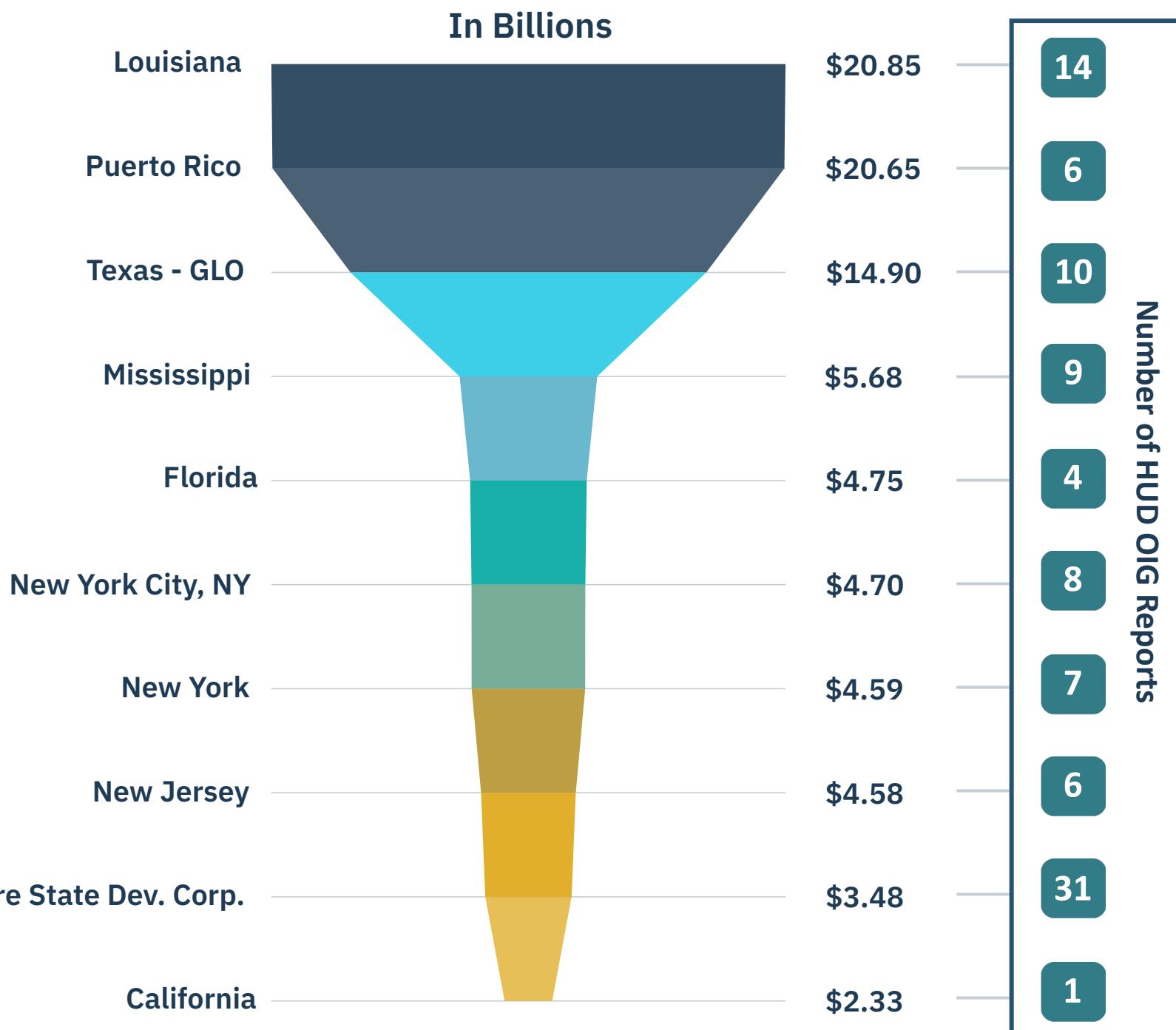


Of the \$109.8 billion allocated, the top 10 grantees received \$86.5 billion or 79 percent of the grant funds, with 2 grantees, Puerto Rico and Louisiana, receiving more than \$20 billion each. Louisiana received its largest funding in 3 grants of more than \$13 billion to assist in its recovery from the damage caused by Hurricanes Katrina, Rita, and Wilma. Louisiana's other 9 grants total about \$7 billion. Puerto Rico received more than \$18 billion to assist in recovery from the damage caused by Hurricanes Harvey, Irma and Maria and to help mitigate the

effects or impact of future disasters. Additionally, Puerto Rico received \$1.9 billion to enhance its electrical power systems. The remainder of the top 10 grantees have received between \$2.3 billion to \$14.9 billion in disaster grant funding.

These top 10 grantees have spent \$54 billion with \$32.1 billion unspent. We have issued 96 audit reports on the top 10 recipients since 2001, and an additional 61 audit reports on HUD's disaster recovery oversight and the other grantees.

TOP 10 RECIPIENTS OF DISASTER GRANTS



DISASTER RECOVERY EXPENDITURES BY ACTIVITY TYPE

Disaster recovery funds support recovery and resiliency activities in communities that are impacted by disasters. HUD allows grantees to choose which activities it undertakes with disaster recovery funds. Generally, activities must have a disaster tie-back and meet one of HUD's three national objectives: (1) low- and moderate-income benefit, (2) elimination of slums and blight, or (3) urgent need. The top 10 activities account for \$49 billion (81 percent) of the total \$61.2 billion spent on disaster recovery.



The payment for compensation for Louisiana and Mississippi activities provided direct funding to beneficiaries to repair or rebuild their homes without grantee oversight. These were the precursor activities for the rehabilitation and reconstruction of residential structures activity. When totaled together, these three activities accounted for \$28.8 billion (47 percent) of the total \$61.2 billion spent.

TOP 10 ACTIVITIES



LOW- and MODERATE-INCOME ACTIVITIES

TOP 10 LOW- and MOD-INCOME ACTIVITIES

To meet the low- and moderate-income national objective, HUD requires disaster recovery grantees to spend at least 50 to 70 percent of the funds to benefit the low- and moderate-income communities or families, unless it approves a waiver. This objective includes activities for housing, community development, and job creation.

The top four activities are shown below:



Rehabilitation /
Reconstruction of
Residential Structures



Affordable Rental
Housing

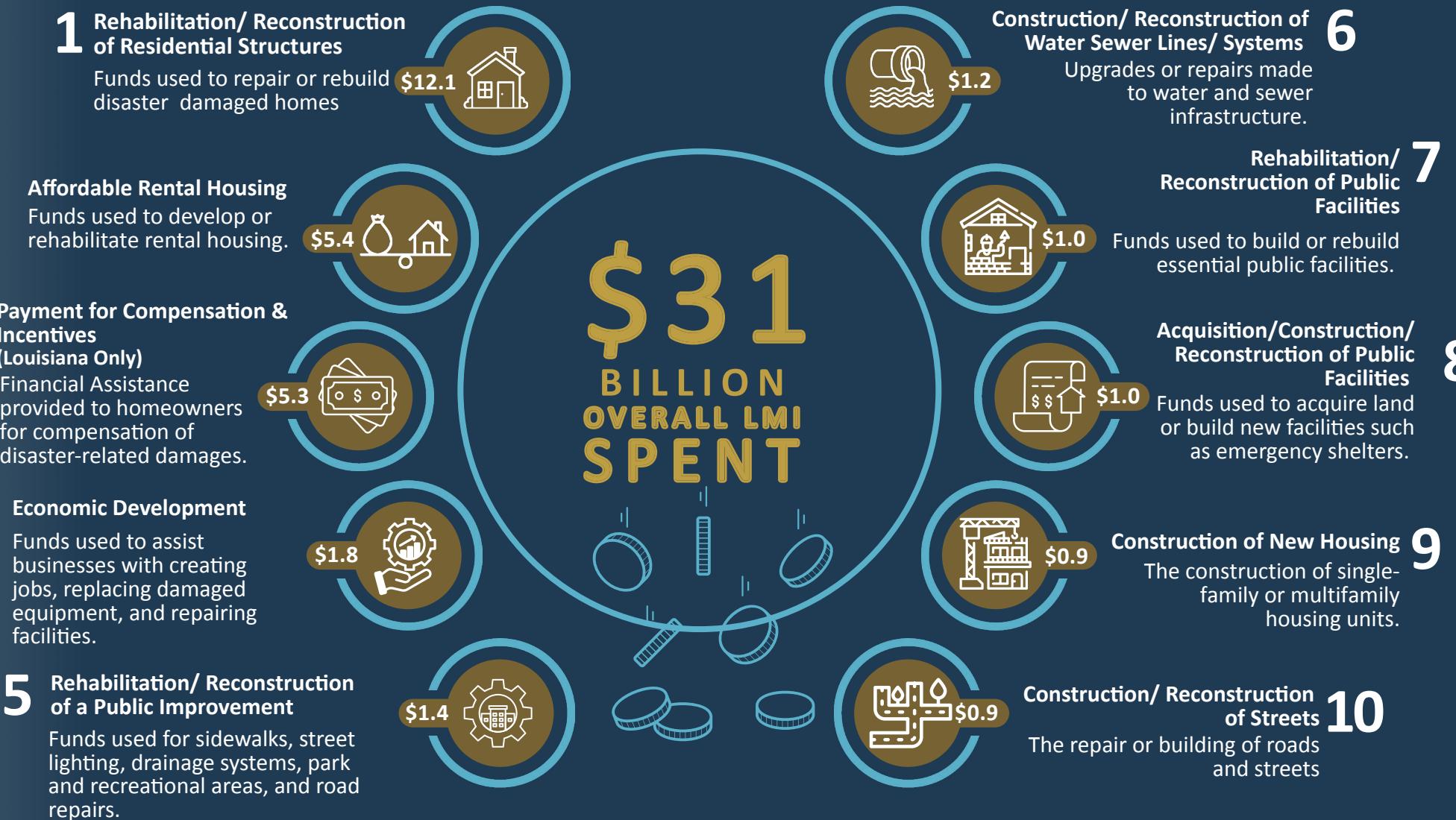


Payments for
Compensation and
Incentives
(Louisiana Only)



Economic
Development Activity
That Creates / Retains
Jobs

The top 10 activities that grantees have identified as meeting low- and moderate-income benefit national objective are similar to the overall top 10 activities completed with disaster funding. Overall, grantees have spent \$35.9 billion on activities towards benefiting low- and moderate-income communities and families. The top 10 activities account for \$31 billion (86 percent). As with the overall top 10 activities, grantees spent the most funds (\$12.1 billion) on the rehabilitation and reconstruction of residential structures for the low- and moderate-income national objective.



GRANTEE SPENDING

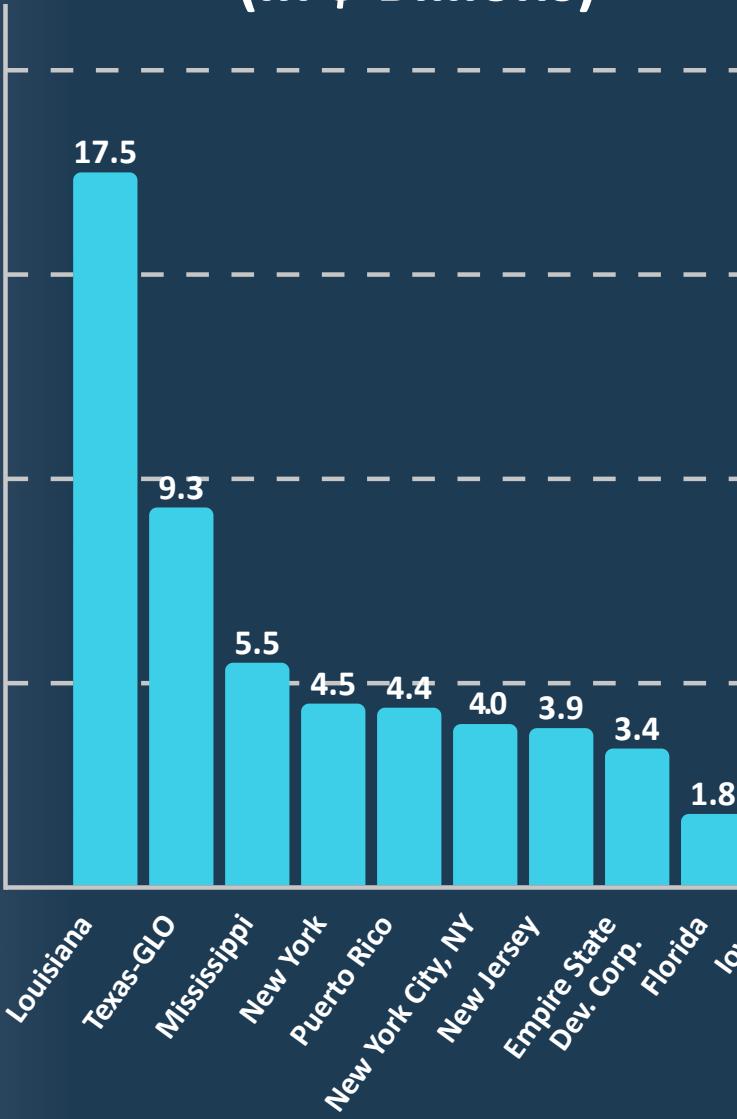


Generally, HUD disaster recovery grants attempt to address the unmet needs of low- and moderate-income communities and the most-impacted disaster areas. Therefore, effective and timely spending is imperative to assist these communities in recovering from the disaster. The left side of the chart shows the top 10 grantees as spending more than \$55 billion of the \$61.2 billion spent.

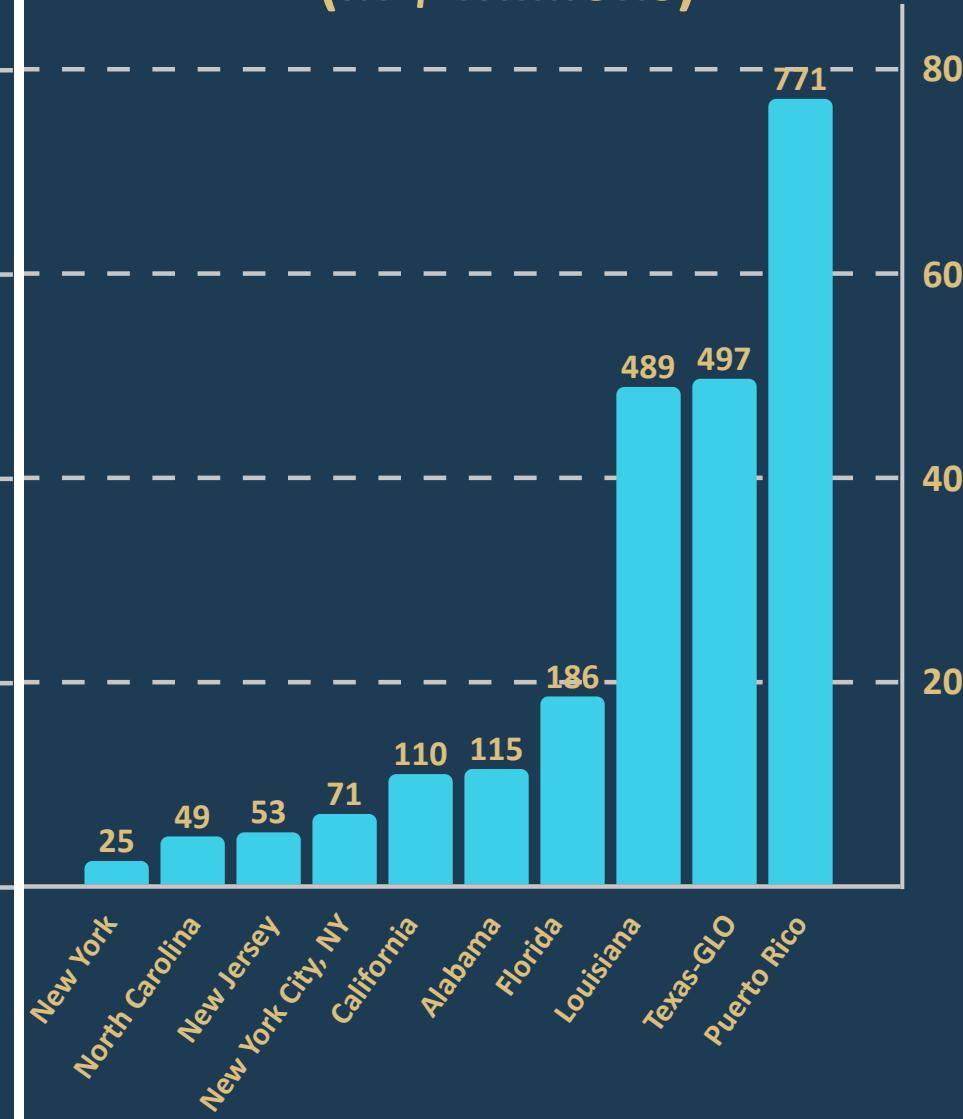
The overall amount spent is skewed towards larger, older grants, such as Louisiana for Hurricane Katrina (2005). The right side of the chart shows the top 10 recipients that have spent the most funds during the last 6 months. (October 2024 to March 2025).

TOP 10 GRANTEES WITH THE LARGEST SPENDING

Overall Spending
(In \$ Billions)



Spending in Last 6 Months
(In \$ Millions)



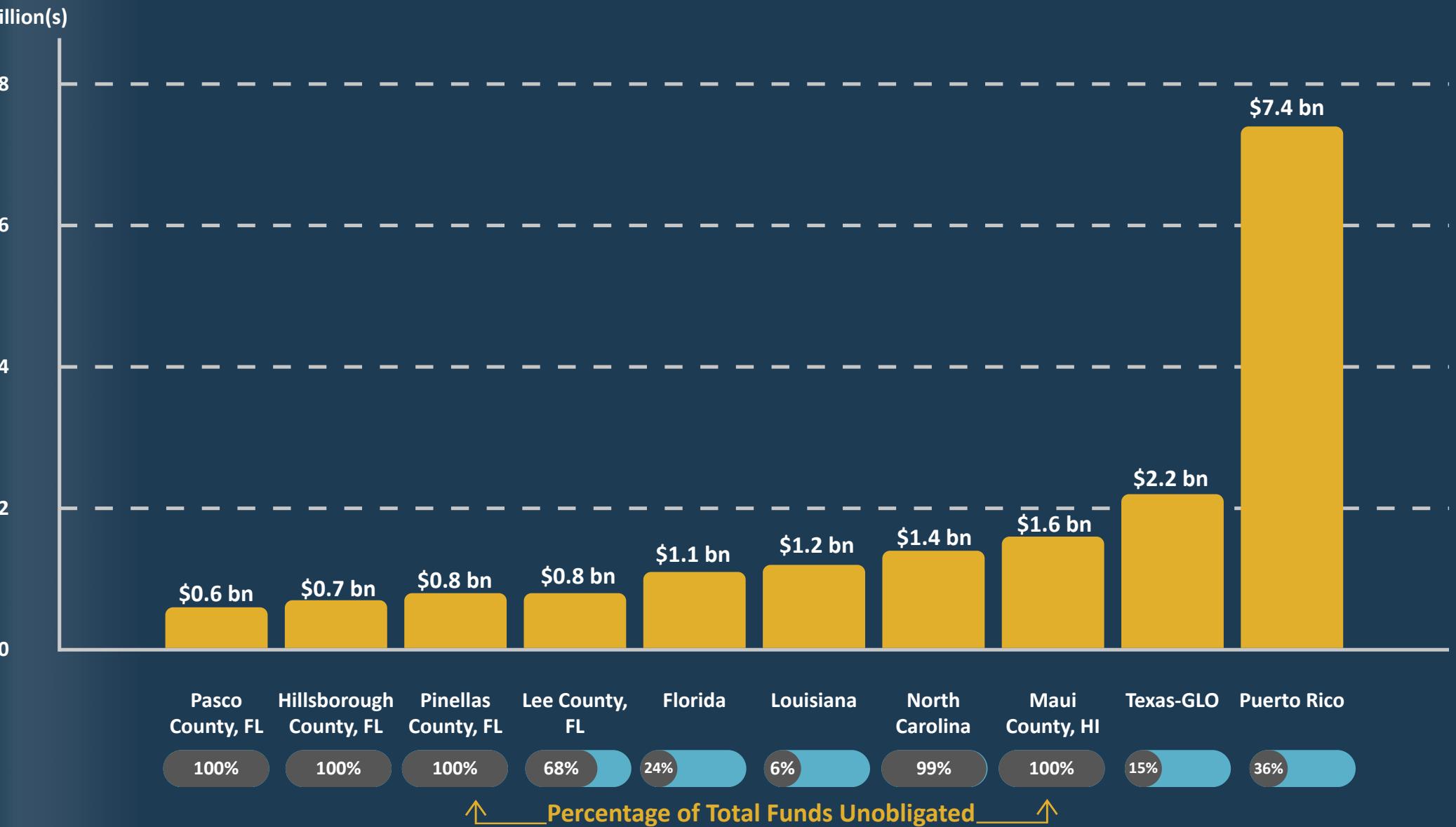
UNOBLIGATED FUNDS



Before spending funds, grantees must obligate those funds for activities in their approved action plans. In some instances, grantees may have obligated a significant amount of their funds, but have not spent those funds; for example a major on-going construction project. In other instances, significant unobligated funds might indicate concerns with grantees identifying eligible activities or obtaining contractors or services. In both instances, timely obligation of grant funds is necessary for grantees to achieve their intended outcomes.

The top two grantees with unobligated funding are Puerto Rico and Texas – GLO. Puerto Rico and Texas GLO have 36 percent and 15 percent of their funding unobligated, respectively. Of the top 10 grantees, four grantees (Maui County, HI, Pasco County, FL, Pinellas County, FL, and Hillsborough County, FL) have not obligated any funds due to these funds being allocated in January 2025, and HUD and the grantees have not signed the grant agreements yet.

UNOBLIGATED FUNDS



TOP 10 UNOBLIGATED DISASTER RECOVERY FUNDS



UNSPENT DISASTER RECOVERY FUNDS

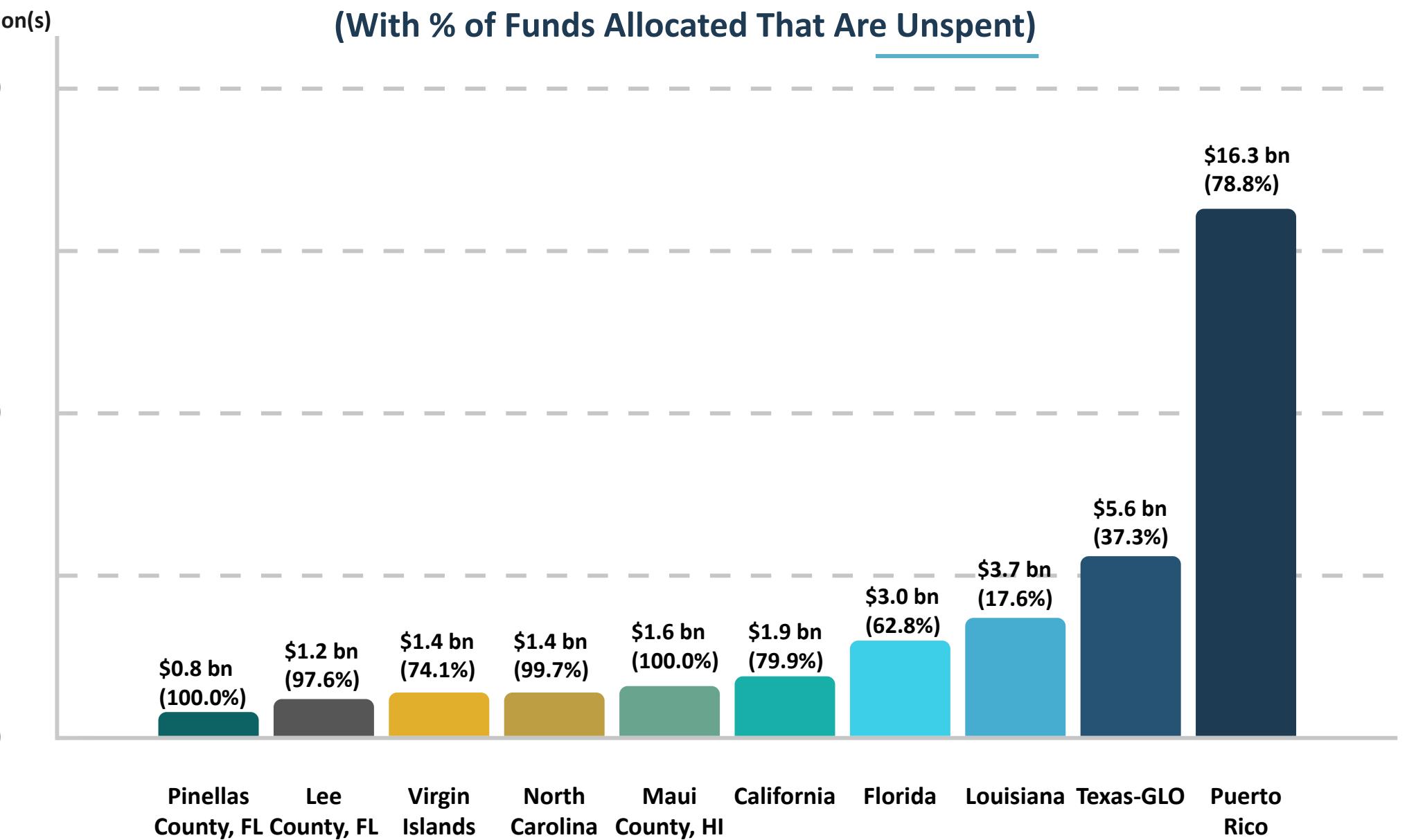


Ensuring that grantees spend the funds in a timely manner on eligible activities is vital to aid these mostly low- and moderate-income communities and most impacted disaster areas in recovering from catastrophic events and avoiding repayment of grant funds. Most grants have expenditure deadlines with the risk of returning the funds to HUD if not spent; however, HUD may waive these deadlines to allow for completion of activities and full expenditure of remaining grant funds. As a result, unspent funds do not necessarily indicate that a grantee is at risk of repayment of funds.

Of the top 10 grantees, Puerto Rico has 79 percent of its funding unspent. Two of the top 10 grantees (Maui County, HI and Pinellas County, FL) have not spent any funds due to the funds being allocated in January 2025, and the grant agreements have not been signed.

UNSPENT FUNDS

(With % of Funds Allocated That Are Unspent)



TOP 10 UNSPENT DISASTER RECOVERY FUNDS



OUR DISASTER RECOVERY OVERSIGHT WORK

As of March 2025, we have issued more than 150 audit reports specifically focused on improving the performance, reporting, and transparency of disaster recovery funding. We have audited grantees that have been impacted by floods, hurricanes, wildfires, and tornadoes. Our work has covered a myriad of objectives to improve both the Department and grantees' operations, including HUD's ability to prevent duplication of benefits and timely delivery of disaster recovery funding, as well as assessing the Puerto Rico Department of Housing's fraud risk management practices and determining the accomplishments of 12 grantees operating HUD's National Disaster Resilience program.

Due to a congressional mandate and materiality of funds, we performed 31 audits of World Trade Center disaster recovery grantees. We have issued 18 audit reports on HUD's oversight of disaster recovery funding and audits of grantees' performance that used funds from multiple disaster events.

157

Total Reports Issued Since 2002

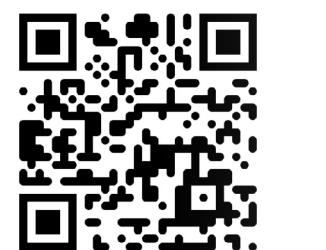
31

Audits of World Trade Center
Disaster Recovery Grantees

50

Audits of Hurricane Sandy and
Other Events Grantees

View Our Website

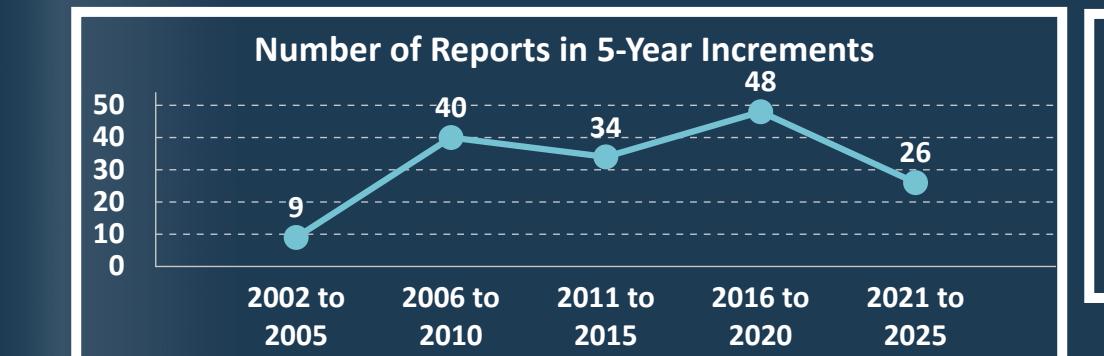


INFORMATION ON OUR DISASTER RECOVERY AUDIT REPORTS

Disaster Funded Event	Number of Reports
Audits of HUD's disaster recovery oversight	12
Audits of grantees with multiple disaster recovery grants	6
Electrical Power Systems in Puerto Rico and the U.S. Virgin Islands	1
2018 Disasters	1
2017 Hurricanes Harvey, Irma and Maria	13
2016 Louisiana Floods and Other Events	1
2013 National Disaster Resilience	2
2011-2013 Hurricane Sandy and Other Events	50
2008 Midwest Floods	2
2008 Hurricane Ike and Other Events	9
2005 Hurricanes Katrina, Rita, Wilma	28
2003-2004 Multiple Disasters	1
2001 World Trade Center	31

This chart includes only disaster funded events in which audit reports exclusively focused on HUD's oversight or performance of the grantee.

We have combined the audits of HUD's oversight of disaster recovery funds and audits of grantees with funds from multiple disaster funded events in separate categories.



157

TOTAL REPORTS



HELP STOP WASTE, FRAUD, & ABUSE



HUD OIG Hotline

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Email

whistleblower@hudoig.gov

Website

<https://www.hudoig.gov/hotline>

Location

451 7th St. SW, Suite 8254
Washington, DC 20410

