

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TDHCA Governing Board Approved Draft of

10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

Disclaimer

Attached is a proposed rule action for 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule. This rule action was approved by the TDHCA Governing Board on June 4, 2026. This document, including its preambles, is expected to be published in the June 19, 2026, edition of the *Texas Register* and that published version will constitute the official version for purposes of public comment and can be found at the following link: <https://www.sos.texas.gov/texreg/index.shtml>.

In compliance with §2001.023, Texas Government Code, a summary of the proposed action follows:

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by the Housing and Economic Recovery Act of 2008 (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program. While program income continues to be returned to the Department from past NSP activities, all NSP funds are utilized for multifamily activities at this point. Single family activities are no longer administered with NSP.

The Texas Regulatory Efficiency Office (TREG) coordinates with state agencies to review agency rules and recommends potential amendments to, or repeals of, those rules. In April 2026, TREG released a draft Regulatory Efficiency Review (RER) report of possible regulatory changes that the Texas Department of Housing and Community Affairs (the Department) could make to improve efficiency in some of its rules. The recommendations in the report were not mandates or directives, but rather ideas and opportunities for improvement. TREG requested that the Department share these ideas with stakeholders for a 14-day period to garner feedback, which occurred from April 30, 2026 to May 14, 2026.

The report included a recommendation, initiated by the Department, that Chapter 29 could be repealed because NSP is no longer used for single family activities. No feedback on the suggestion was received during the 14-day input period. Therefore, staff is recommending the proposed repeal of Chapter 29.

Therefore, the rule action will be made available for public comment from June 19, 2026, to July 20, 2026, and returned to the Board for final approval.

Public Comment

Public Comment Period: Start: 8:00 a.m. Austin local time on June 19, 2026
End: 5:00 p.m. Austin local time on July 20, 2026

Comments received after 5:00 p.m. Austin local time on July 20, 2026, will not be accepted. Written comments may be submitted electronically within the designated public comment period to: brooke.boston@tdhca.state.tx.us.

Those making public comment are encouraged to reference the specific draft rule, policy, or plan related to their comment as well as a specific reference or cite associated with each comment. Please be aware that all comments submitted to the TDHCA will be considered public information.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Departamento de Vivienda y Asuntos Comunitarios de Texas

Borrador aprobado por la Junta Directiva del TDHCA

respecto al capítulo 29 [“Regla para el Programa de Estabilización de Vecindarios Unifamiliares de Texas”] del título 10 del Código Administrativo de Texas (TAC)

Descargo de responsabilidad

Se adjunta una propuesta de acción reglamentaria respecto al capítulo 29 [“Regla para el Programa de Estabilización de Vecindarios Unifamiliares de Texas”] del título 10 del Código Administrativo de Texas (TAC). Esta acción reglamentaria recibió aprobación por parte de la Junta Directiva del Departamento de Vivienda y Asuntos Comunitarios de Texas (TDHCA) el 4 de junio de 2026. Se espera que este documento, incluyendo sus preámbulos, se publique en la edición del *Texas Register* del 19 de junio de 2026. Esa versión publicada constituirá la versión oficial para fines de comentarios públicos y se puede encontrar en el siguiente enlace: <https://www.sos.texas.gov/texreg/index.shtml>.

De conformidad con la sección [§] 2001.023 del Código de Gobierno de Texas, se incluye a continuación un resumen de la acción reglamentaria propuesta:

El Programa de Estabilización de Vecindarios (NSP) es un programa financiado por el Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD) y autorizado por la Ley de Recuperación Económica y de Vivienda de 2008 (HERA) como una asignación suplementaria al Programa de Subvenciones en Bloque para el Desarrollo Comunitario (CDBG). Si bien los ingresos del programa provenientes de actividades anteriores del Programa NSP siguen devolviéndose al Departamento, todos los fondos del Programa NSP se utilizan para actividades relacionadas con viviendas multifamiliares en este momento. Las actividades para viviendas unifamiliares ya no se administran mediante el Programa NSP.

La Oficina de Eficiencia Reglamentaria de Texas (TREO) se coordina con las agencias estatales con el fin de revisar las reglas de las agencias y recomienda posibles modificaciones o derogaciones de dichas reglas. En abril de 2026, la TREO publicó un borrador del informe de revisión de eficiencia reglamentaria (RER) respecto a los posibles cambios reglamentarios que el Departamento de Vivienda y Asuntos Comunitarios de Texas (el Departamento) podría efectuar para mejorar la eficiencia de algunas de sus reglas. Las recomendaciones del informe no eran mandatos ni directivas, sino más bien ideas y oportunidades de mejora. La TREO solicitó al Departamento que compartiera estas ideas con las partes interesadas durante un período de 14 días para recabar comentarios, lo cual tuvo lugar del 30 de abril de 2026 al 14 de mayo de 2026.

El informe incluyó una recomendación, impulsada por el Departamento, que propone la derogación del capítulo 29 debido a que el Programa NSP ya no se utiliza para actividades de viviendas unifamiliares. No se recibió ninguna respuesta a la sugerencia durante el período de 14 días para la presentación de comentarios. Por lo tanto, el personal recomienda la derogación propuesta del capítulo 29.

Por lo tanto, la acción reglamentaria estará disponible para comentarios del público desde el 19 de junio de 2026 hasta el 20 de julio de 2026, y se remitirá a la Junta para su aprobación definitiva.

Comentarios del público**Periodo de comentarios del público:**Inicio: 8:00 a. m., hora local de Austin, del 19 de junio de 2026Finalización: 5:00 p. m., hora local de Austin, del 20 de julio de 2026

No se aceptarán los comentarios que se reciban después de las 5:00 p. m., hora local de Austin, del 20 de julio de 2026. Los comentarios por escrito pueden enviarse de manera electrónica dentro del período designado de comentarios del público a brooke.boston@tdhca.state.tx.us.

Se anima a quienes formulen comentarios públicos a que hagan referencia al borrador de la regla, política o plan específico relacionado con su comentario, así como una referencia o cita específica asociada a cada comentario. Tenga en cuenta que todos los comentarios enviados al TDHCA se considerarán información pública.

DEPARTAMENTO DE VIVIENDA Y ASUNTOS COMUNITARIOS DE TEXAS

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Attachment 1: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule. The purpose of the proposed repeal is to remove an obsolete rule that related to a program activity no longer performed by the Department.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson has determined that, for the first five years the repeal would be in effect:

1. The repeal does not create or eliminate a government program, but removes a regulation for a program activity that is no longer in operation.
2. The repeal does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce workload to a degree that eliminates any existing employee positions.
3. The repeal does not require additional future legislative appropriations.
4. The repeal will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The repeal is not creating a new regulation.
6. The action will improve regulatory efficiency by repealing an obsolete regulation.
7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.
8. The repeal will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the changed section would be improved regulatory efficiency by removing an unnecessary rule. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held June 19, 2026 to July 20, 2026 to receive input on the proposed action. Comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston at brooke.boston@tdhca.texas.gov. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, July 20, 2026.

STATUTORY AUTHORITY. The repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repeal affects no other code, article, or statute.

Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

Attachment 2: Current 10 TAC Chapter 29, Texas Single Family Neighborhood Stabilization Program Rule

§29.1. Purpose

This chapter clarifies the administration of the Texas Single Family Neighborhood Stabilization Program ("Texas SFNSP"). Texas SFNSP funds are administered by the Department. The Texas SFNSP awards funding to Subgrantees to acquire foreclosed, abandoned, or vacant property in order to redevelop it and prevent it from becoming a source of blight which could contribute to declining property values.

§29.2. Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context or the Notice of Funding Availability ("NOFA") indicates otherwise. Lack of capitalization of a term or word in this chapter does not indicate that the term is undefined. Other definitions may be found in Tex. Gov't Code, Chapter 2306; Chapter 1 of this title (relating to Administration); and Chapter 20 of this title (relating to Single Family Programs Umbrella Rule).

(1) Developer--A nonprofit entity that receives Texas SFNSP assistance for the purpose of:

(A) Acquiring homes and residential properties to rehabilitate for residential purposes; and

(B) Constructing new housing in connection with the redevelopment of demolished or vacant properties.

(2) Expended--For the purposes of contract milestones and thresholds, "Expended" means that a complete draw request is submitted with adequate back-up documentation; it is not necessary for staff to have processed a draw to meet a benchmark. For all other purposes, "Expended" means that an eligible cost was incurred and staff has processed a draw to reimburse the expense with Texas SFNSP funds.

(3) Land Bank--A governmental or nongovernmental nonprofit organization established, at least in part, to assemble, temporarily manage and dispose of vacant land for the purposes of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.

(4) Obligated--When Texas SFNSP funding has been encumbered through contracts for goods, services or acquisition of property, or other forms of similar transactions requiring payment that have been determined by the Department to meet Texas SFNSP requirements.

(5) Subgrantee--A Subrecipient or a Developer.

(6) Subrecipient--Units of General Local Government and nonprofit organizations with whom the Department contracts and provides funding in order to undertake activities eligible for such assistance.

(7) Texas SFNSP--Texas Single Family Neighborhood Stabilization Program.

§29.3. General Provisions

(a) All assisted properties must be located in eligible areas as defined by HUD and by the applicable NOFA.

(b) The Contract term is based upon varying types of activities included in the Contract between the Department and the Department's Subgrantee. Exhibit C, Project Implementation Schedule, of the Contract, provides an outline of specific timelines, milestones and thresholds. Performance under the Contract will be evaluated according to the benchmarks described in each Contract.

(c) Administrative Threshold. Administrative draw requests are funded from the administration or developer fee line item in Exhibit B, Budget, of the Contract. Reimbursement of eligible administrative expenses is regulated as described in paragraphs (1) - (3) of this subsection:

(1) Threshold 1. Cumulative administrative draw requests may allow up to 10 percent of the administration or developer fee line item to be drawn prior to the start of any project activity included in the performance statement of the Contract (provided that all pre-draw requirements, as described in the Contract, for administration have been met). This draw may be limited by NOFA, underwriting report, or by Contract. Subsequent administrative expenditures will be reimbursed in the percentage amounts indicated, provided that all Contract benchmark requirements have been met, as identified in Exhibit C, Project Implementation Schedule, described in subsection (b) of this section;

(2) Threshold 2. Subsequent administrative draw requests are allowed in proportion to the direct project funds drawn on the Contract, up to 90 percent of the total administration or developer fee line item. The cumulative total percentage of administrative funds requested may not exceed the cumulative total percentage of project funds expended for hard and/or soft costs directly attributable to activities under the Contract;

(3) Threshold 3. The final 10 percent of the administration or developer fee line item is the administrative retainage. The final 10 percent may be drawn after the final loan closing or upon Contract close-out.

(d) Forbearances. Contract expenditure thresholds and milestones are included in Exhibit C, Project Implementation Schedule, of the Contract; violations of which will subject the Subgrantee to the requirements found in this chapter. At the Department's discretion, forbearances of thresholds and milestones may be granted upon request and documentation of extenuating circumstances.

(e) Waivers. Program administrative regulations set forth in any Texas SFNSP NOFA by the Department's Governing Board or terms in the Contract may be waived by the Department, acting by and through its Executive Director or his/her designee, up to the limits of Texas SFNSP regulations and guidance as previously established, periodically updated, or updated in the future by HUD. The Executive Director or his/her designee may waive the Texas SFNSP purchase discount to the limits of the purchase discount as allowed by the NSP Bridge Notice. The Texas NSP NOFA and the NSP *Federal Register* Notice (Docket No. FR-5255-N-01) published in the *Federal Register* (73 FR 58330), require a minimum discount of five percent for any individual property and 15 percent for a portfolio of properties to be acquired utilizing Texas SFNSP funds. (If only acquiring one property, the one property constitutes a portfolio.) The NSP Bridge Notice allows for up to a one percent discount for individual properties and portfolios.

§29.4. Reassignment of Funds

Deobligated funds may either be reassigned utilizing the amendment process described 10 TAC §20.14 of this title (relating to Single Family Programs Umbrella Rule), or be subject to redistribution through a methodology to be approved by the Board.