



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### 24 CFR Part 594

[Docket No. FR-6576-F-01]

### Removal of Regulations for the John Heinz Neighborhood Development Program

**AGENCY:** Office of the Assistant Secretary for Community Planning and Development, HUD.

**ACTION:** Final rule.

**SUMMARY:** This rule removes HUD's John Heinz Neighborhood Development Program regulations because the program has not been funded since 1998 and all grants have been closed out.

**DATES:** *Effective Date:* [INSERT DATE 30 DAYS FROM THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Wesley Armstrong, Department of Housing and Urban Development, 451 7th Street SW, Room 7200, Washington, DC 20410; telephone number 202-402-2107 (this is not a toll-free number); email [Wesley.R.Armstrong@hud.gov](mailto:Wesley.R.Armstrong@hud.gov).

HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit: <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

### SUPPLEMENTARY INFORMATION:

#### I. Background

Section 832 of the Housing and Community Development Act of 1992 (Pub. L. 102-550, 106 Stat. 3852, codified at 42 U.S.C. 5318a) established the John Heinz Neighborhood Development Program as a permanent program of the Department. Previously, the program had

been authorized and operated as a demonstration program, pursuant to section 123 of the Housing and Urban Rural Recovery Act of 1983 (42 U.S.C. 5318 note). The program's purpose was to assist communities to become more viable, by providing incentive funds to carry out neighborhood development activities that benefit low- and moderate-income families. The program funded eligible neighborhood development activities conducted by neighborhood development organizations, including, among others, creating permanent jobs, establishing or expanding businesses, improvements to housing stock, and promoting delivery mechanisms for essential services. The incentive funds were provided as matching funds with a particular emphasis on collaboration with private neighborhood development funding organizations and were available to neighborhood development organizations operating in neighborhoods that meet requirements under 42 U.S.C. 5318, were in enterprise zones under Federal or state law, or were considered qualified distressed communities under 12 U.S.C. 1834(b)(1). HUD published regulations implementing the program on March 29, 1995 (60 FR 16359).

## **II. This Final Rule**

This rule is removing the John Heinz Neighborhood Development Program regulations from title 24 of the Code of Federal Regulations. HUD is removing these regulations because the John Heinz Neighborhood Development Program has run its course. The program was last funded in 1998 and all of its grants have been closed out as of 2025. As a result, all regulations in part 594 are no longer necessary. Removing these regulations would update HUD's regulations and provide clarity to grantees on what programs are actively being funded.

## **III. Justification for Final Rulemaking**

In accordance with regulations at 24 CFR part 10, it is the practice of the Department to offer interested parties an opportunity to comment on proposed regulations. 24 CFR part 10 provides narrow exceptions to the notice and comment requirements if the Department finds good cause to omit notice and public participation. The good cause requirement under 24 CFR 10.1 may be satisfied when notice and public comment are impracticable, unnecessary,

or contrary to the public interest. To publish a rule prior to receiving and responding to public comments, the agency must find that at least one good cause exception is applicable.

HUD has determined that good cause exists to promulgate this final rule without prior notice and comment. Specifically, the Department has concluded that it is unnecessary to solicit and respond to public comments on this action because the John Heinz Neighborhood Development Program was last funded in 1998 and all of its grants have been closed out as of 2025. Furthermore, while the statutory authority for the program continues to exist, HUD concludes that regulations are no longer necessary. Accordingly, HUD has concluded there is good cause to publish this rule prior to receiving and responding to public comments.

#### **IV. Findings and Certifications**

##### *Regulatory Review – Executive Orders 12866 and 13563*

Under Executive Order 12866 (Regulatory Planning and Review), a determination must be made whether a regulatory action is significant and, therefore, subject to review by the Office of Management and Budget (OMB) in accordance with the requirements of the Executive Order. Executive Order 13563 (Improving Regulations and Regulatory Review) directs executive agencies to analyze regulations that are “outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned.” Executive Order 13563 also directs that, where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, agencies are to identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public. This rule eliminates language in 24 CFR part 594 relating to a program which has not been funded since 1998 and which has no open projects or grants. Accordingly, this rule has been determined not to be a “significant regulatory action” as defined in section 3(f) of Executive Order 12866.

##### *Regulatory Costs – Executive Order 14192*

Executive Order 14192, entitled “Unleashing Prosperity Through Deregulation,” was issued on January 31, 2025. Section 3(c) of Executive Order 14192 requires that any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least 10 prior regulations. OMB has determined that this final rule does not impose any regulatory costs as the regulations relate to a program which has not been funded since 1998 and which has no open projects or grants and is a repeal of a regulation for purposes of Executive Order 14192.

#### *Regulatory Flexibility Act*

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*) generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Because HUD has determined that good cause exists to issue this rule without prior public comment, this rule is not subject to the requirement to publish an initial or final regulatory flexibility analysis under the RFA as part of such action.

#### *Environmental Impact*

This rule does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction, or establish, revise, or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this rule is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

#### *Executive Order 13132, Federalism*

Executive Order 13132 (entitled “Federalism”) prohibits an agency from publishing any rule that has federalism implications if the rule either: (i) imposes substantial direct compliance costs on State and local governments and is not required by statute, or (ii) preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive

Order. This rule does not have federalism implications and does not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of the Executive Order.

*Unfunded Mandates Reform Act*

Title II of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531 *et seq.*) (UMRA) establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and Tribal governments and the private sector. This rule does not impose any Federal mandates on any State, local, or Tribal governments or the private sector within the meaning of the UMRA.

**List of Subjects**

**24 CFR Part 594**

Community development, Grant programs—housing and community development, Reporting and recordkeeping requirements, Urban renewal.

Accordingly, for the reasons discussed in the preamble, and pursuant to the Secretary's authority under 42 U.S.C. 3535(d), HUD removes 24 CFR part 594.

**Ronald Kurtz,**

Assistant Secretary for Community Planning and Development

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