

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBJECT: Final: Project-Specific Nonavailability Waiver of Build America Buy America Act (BABA) Requirements to the City of Chico 25 Via La Paz Project for HVAC Equipment (HUD Waiver #W-0000369)

Introduction

The U.S. Department of Housing and Urban Development (HUD) is issuing a final BABA waiver to an assistance recipient based on nonavailability of multiple products for a single project.

Solicitation of Public Comment

The proposed waiver was posted on HUD's public facing webpage and a notice of the proposed waiver was posted to the Made in America website from September 10, 2026 to September 25, 2026, thus satisfying the requirement to publish any BABA project waiver and provide the public with fifteen (15) days to submit comments. HUD did not receive any public comments on this waiver during the public comment period. Therefore, no changes were made to the proposed waiver, except to replace references to the “proposed waiver” with references to the “final waiver.”

Background

The Buy America Preference set forth in section 70914 of BABA included in the Infrastructure Investment and Jobs Act (IIJA) (Pub. L. No. 117-58), requires that all iron, steel, manufactured products, and construction materials used for infrastructure projects under Federal financial assistance awards be produced in the United States.

Under section 70914(b), HUD may waive the application of the Buy America Preference (BAP), in any case in which it finds that: applying the domestic content procurement preference would be inconsistent with the public interest; types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or the inclusion of iron, steel, manufactured products, or construction materials produced in the United States would increase the cost of the overall project by more than twenty-five (25) percent. All waivers must have a written explanation for the proposed determination; provide a period of not less than fifteen (15) days for public comment on the waiver; and be submitted to the Office of Management and Budget’s (OMB) Made in America Office for review to determine if the waiver is consistent with policy.

Summary

Final Waiver: HUD is issuing a project waiver of the requirements of section 70914 of BABA included in the IIJA, for HVAC equipment in an infrastructure project funded through the HOME Investment Partnerships Program (HOME) and the Community Development Block Grant (CDBG) program.

Waiver Type: Nonavailability of domestic products in sufficient and reasonably available quantities or of satisfactory quality.

Waiver Level and Scope: Project-level waiver for multiple products for a single project. No other project will utilize the waiver.

Waiver Description: Project-specific nonavailability waiver of BABA requirements to the City of Chico 25 Via La Paz affordable housing rehabilitation project in Chico, California for HVAC equipment.

Project Summary: The project is in Chico, California. The project consists of the rehabilitation of 66 affordable housing units at 25 Via La Paz. The apartment complex, built in 1984, includes 66 units across nine (9) two-story and eight (8) one-story buildings, plus a community building with laundry, meeting space, and offices.

Length of the Waiver: From October 5, 2026 until the completion of the project, which is anticipated to be June 30, 2027.

Items Covered in Waiver: The City of Chico is being issued a waiver for HVAC equipment, as described in detail below:

- **Name of Product 1:** Fans - Ceiling Mounted Exhaust
 - **NAICS:** 333415
 - **PSC:** N041
 - **Technical Specifications:** Direct-drive ceiling exhaust fan; 2-speed 50/80 CFM; 14-watt motor; 115V single-phase.
- **Name of Product 2:** Fans - Ceiling Mounted Exhaust
 - **NAICS:** 333415
 - **PSC:** N041
 - **Technical Specifications:** Direct-drive ceiling exhaust fan; 50 CFM; 42-watt motor; 115V single-phase.
- **Name of Product 3:** Fans - Ceiling Inline
 - **NAICS:** 333415
 - **PSC:** N041
 - **Technical Specifications:** Direct-drive inline fan; 40 CFM; 5.4-watt motor; 120V single-phase.
- **Name of Product 4:** Fan Coils
 - **NAICS:** 333415
 - **PSC:** N041
 - **Technical Specifications:** Fan coil units; 1.5–5 ton nominal capacity; 445–2,000 CFM; 115V/230V single-phase.
- **Name of Product 5:** Condensing Units
 - **NAICS:** 333415
 - **PSC:** N041
 - **Technical Specifications:** Heat pump condensing units; 1.5–5 ton; SEER2 15.0–23.1 / EER2 12.5–14.0; 230V single-phase.

Description of Efforts Made to Avoid the Need for a Waiver

Both the grantee and HUD made every effort to obtain domestically produced HVAC equipment.

The grantee completed market research in June 2026 which consisted of outreach to three (3) manufacturers or suppliers of HVAC equipment. None of the manufacturers or suppliers were able to provide BABA-compliant products that met the technical specifications of the project.

HUD conducted an online search of manufacturers and suppliers and did not locate any manufacturers or suppliers that could provide BABA-compliant products.

Anticipated Impact if No Waiver is Issued

Failure to grant a waiver for this project would result in the inability of the developer to install the required HVAC equipment.

Assessment of Cost Advantage of a Foreign-Sourced Product Under OMB M-24-02, agencies are expected to assess "whether a significant portion of any cost advantage of a foreign-sourced product is the result of the use of dumped steel, iron, or manufactured products or the use of injuriously subsidized steel, iron, or manufactured products" as appropriate before granting a public interest waiver. HUD has concluded that this assessment is not applicable to this waiver as this waiver is not based on the cost of foreign-sourced products.

Description of Award

Agency: United States Department of Housing and Urban Development (HUD)

Common Governmentwide Accounting Classification (CGAC) Code: 086

Title of Project: City of Chico 25 Via La Paz Affordable Housing Rehabilitation Project

Recipient Name: City of Chico

Unique Entity Identifier (UEI): SSGHN8JLDLC7

Federal Award Identification Number (FAIN): B25MC060031 and M25MC060232

Financial Assistance Listing Name: HOME Investment Partnerships Program and Community Development Block Grants/Entitlement Grants

Assistance Listing Number: 14.239 (HOME), 14.218 (CDBG)

Federal Financial Assistance Funding Amount: \$725,000.00

Total Estimated Infrastructure Expenditures: \$39,209,974.00