DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBJECT: **Final**: Project-Specific Nonavailability Waiver of Build America Buy America Act (BABA) Requirements to the 461 Asbury Street Affordable Housing Project for Air-Source Heat Pumps and a Fire Alarm and Detection System (HUD Waiver #W-0000248)

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 29, 2026 to October 13, 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 air-source heat pumps and a fire alarm and detection system in an infrastructure project funded through the HOME Investment Partnerships Program (HOME) and the Housing Trust Fund (HTF).

Waiver Type: Nonavailability of domestic products in sufficient and reasonably available quantities or of a 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 461 Asbury Street affordable housing project in Hamilton, Massachusetts for air-source heat pumps and a fire alarm and detection system.

Project Summary: The project is in Hamilton, Massachusetts. The project consists of the new construction of 45 units of affordable rental housing, located at 461 Asbury Street, Hamilton, Massachusetts.

Length of the Waiver: From October 20, 2026 until the completion of the project, which is anticipated to be February 28, 2028.

Items Covered in Waiver: The City of Peabody, Executive Office of Housing and Livable Communities is being issued a waiver for two (2) products – air-source heat pumps and a fire alarm and detection system, as described in detail below:

Name of Product	**Quantity**	**NAICS**	**PSC**	**Technical Specifications**
Air-Source Heat Pumps	120	238220	4130	Ductless/ducted air-source heat pump units for multifamily residential HVAC, ranging from 6,000 to 36,000 BTU/H capacities (HP and HPCU series and associated condensing units). Must meet the project's required efficiency specifications (e.g., SEER2/EER2/HSPF2 ratings) and all applicable building and mechanical codes.
Fire Alarm and Detection System	1	238210	6350	Addressable fire alarm and detection system for a 45-unit multifamily residential building, including control panel, detectors, notification appliances, and associated components. Must meet all applicable building codes, fire protection codes, NFPA 72, and UL standards.

Description of Efforts Made to Avoid the Need for a Waiver

Both the grantees and HUD made every effort to obtain domestically produced air-source heat pumps and fire alarm and detection system components meeting the technical specifications of the project.

The grantees conducted market research between October 2025 and May 2026 which consisted of outreach to multiple domestic manufacturers and suppliers of air-source heat pumps and fire alarm and detection systems, along with NIST MEP. 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 significant delays and costs for the project – including possible termination – as no suitable BABA-compliant air-source heat pumps or fire alarm and detection system are available, jeopardizing forty-five (45) units of affordable housing.

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: 461 Asbury Street Affordable Housing Project

Recipient Name: City of Peabody, Executive Office of Housing and Livable Communities

Unique Entity Identifier (UEI): VJFMA2JL6X63, G9PBNNBRK2N9

Federal Award Identification Number (FAIN): M24-DC250216, M24-SG-25-0100, F24-SG-25-0100, F20-SG-25-0100

Financial Assistance Listing Name: HOME Investment Partnerships Program (HOME) and Housing Trust Fund (HTF)

Assistance Listing Number: 14.239, 14.275

Federal Financial Assistance Funding Amount: $3,333,271.00

Total Estimated Infrastructure Expenditures: $31,995,003.00