DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBJECT: Final: Project-Specific Nonavailability Waiver of Build America Buy America Act (BABA) Requirements to the Belfast Birches, Quebec Commons, The Rochambeau, Landry Woods, and The Woodbury Affordable Housing Projects for Heat Pumps and a Natural-Gas Fired Water Heating System (HUD Waiver #W-0000269)

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 multiple projects.

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 October 6, 2026 to October 21, 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 heat pumps and a natural-gas fired water heating system in an infrastructure project funded through the Housing Trust Fund.

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 multiple projects. No other project will utilize the waiver.

Waiver Description: Project-specific nonavailability waiver of BABA requirements to the Belfast Birches, Quebec Commons, The Rochambeau, Landry Woods, and The Woodbury affordable housing projects in Maine for heat pumps and a natural-gas fired water heating system.

Project Summary: The projects are located in Maine. Combined, the projects consist of the construction of 178 affordable housing units across five (5) projects that will primarily serve older low-income households. The specific project locations are:

- 32 School Street, Belfast, Maine
- 15 Pearl Street, Biddeford, Maine
- Lot 15 Barra Road, Biddeford, Maine
- 18 Daniel P Tuell Street, South Portland, Maine
- 186 Woodford Street, Portland, Maine

Length of the Waiver: From November 2, 2026 until the completion of the project, which is anticipated to be April 30, 2028.

Items Covered in Waiver: The Maine State Housing Authority is being issued a waiver for heat pumps and a natural-gas fired water heating system, as described in detail below:

#	Item	PSC	NAICS	Technical Specifications (consolidated)
1	Heat Pump	4120	333415	Cooling 7,700 / Heating 7,600 Btu/hr; SEER2 16.4, HSPF2 8.2. • Variable-capacity, inverter-driven multi-zone air-source heat pump outdoor unit. 36,000 Btu/h nominal cooling; up to 42,000 Btu/h heating at 47F and 17F. • Commercial variable-refrigerant-flow (VRF) heat-recovery outdoor unit/system. 144,000-160,000 Btu/h nominal. • 24,000 Btu/hr Hyper-Heat; SEER2 20, HSPF2 10. ENERGY STAR. • 48,000 Btu/hr Hyper-Heat; SEER2 23, HSPF2 11.5. • 12,000 Btu/hr set; SEER2 25.6, HSPF2 10.7. ENERGY STAR. • 18,000 Btu/hr set; SEER2 22.5, HSPF2 10.3. ENERGY STAR. • 6,000 Btu/hr indoor unit; cooling 6,000 / heating 7,200 Btu/hr. • 9,000 Btu/hr set; SEER2 28.4, HSPF2 10.9. ENERGY STAR. • 20,000 Btu/hr Hyper-Heat; SEER2 19.3, HSPF2 10. • 54 heads, 5 condensers, 5 branch boxes.
2	Heat Pump	4120	238220	Rated 8,300 Btu/hr; CEER 9.7, COP 3.0; to -15C.
3	Port Branch Box	4130	333415	5-port branch box; up to 5 indoor units. 208/230V.

4	Space and Water Heating Equipment	4520	333414	Space and water heating equipment; heating/water-heating capacity, fuel/electric type, efficiency/COP, operating temperature range, refrigerant type, electrical requirements, and storage-tank capacity where applicable.

Description of Efforts Made to Avoid the Need for a Waiver

Both the grantee and HUD made every effort to obtain domestically produced heat pumps and a natural-gas fired water heating system.

The grantee completed market research between October 2025 and May 2026 which consisted of outreach to six (6) manufacturers or suppliers of heat pumps and water heating 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 likely result in termination of the projects and the loss of 178 units of affordable housing, as efficient heating and cooling in each unit requires the installation of these HVAC systems.

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: Belfast Birches, Quebec Commons, The Rochambeau, Landry Woods, and The Woodbury Affordable Housing Projects

Recipient Name: Maine State Housing Authority

Unique Entity Identifier (UEI): NJEKQK2U8ZJ5

Federal Award Identification Number (FAIN): F24-SG230100

Financial Assistance Listing Name: Housing Trust Fund

Assistance Listing Number: 14.275

Federal Financial Assistance Funding Amount: $3,820,936.00

Total Estimated Infrastructure Expenditures: $76,387,524.00