DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBJECT: Final: Project-Specific Nonavailability Waiver of Build America Buy America Act (BABA) Requirements to the Topeka Senior Villas Affordable Housing Project for Vertical Heat Pumps (HUD Waiver #W-0000182)

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 a single product 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 22, 2026 to October 7, 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 vertical heat pumps in an infrastructure project funded through the HOME Investment Partnerships Program (HOME) and the National 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 a single product for a single project. No other project will utilize the waiver.

Waiver Description: Project-specific nonavailability waiver of BABA requirements to the Topeka Senior Villas affordable housing project in Topeka, Kansas for vertical heat pumps.

Project Summary: The project is in Topeka, Kansas. The project consists of the new construction of affordable senior housing. The project is located at 1530 SW Arvonia Place and SW 17th Street, Topeka, KS 66615.

Length of the Waiver: From October 26, 2026 until the completion of the project, which is anticipated to be June 30, 2028.

Items Covered in Waiver: Kansas Housing Resources Corp is being issued a waiver for vertical heat pumps, as described in detail below:

- **Name of Product 1: Vertical Heat Pump**
  - **NAICS: 333415**
  - **PSC: 4120**
  - **Technical Specifications: Vertical packaged heat-pump unit; 208V; approximately 22,600 BTU cooling capacity and 19,500 BTU reverse-cycle heating capacity; 12.1 SEER2, 10.6 EER2, and 6.7 HSPF2; includes approximately 13,900 BTU electric resistance heat.**
  - **Quantity: 48 units.**

Description of Efforts Made to Avoid the Need for a Waiver

Both the grantee and HUD made every effort to obtain domestically produced vertical heat pumps.

The grantee completed market research between January 27 and February 2, 2026, which consisted of outreach to six (6) manufacturers or suppliers of vertical heat pumps. 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 vertical heat pumps.

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: Topeka Senior Villas Affordable Housing Project

Recipient Name: Kansas Housing Resources Corp

Unique Entity Identifier (UEI): S249YBY1KLE8

Federal Award Identification Number (FAIN): F25SG200100 and M-23-SG-20-0100

Financial Assistance Listing Name: National Housing Trust Fund & HOME Investment Partnerships Program (HOME)

Assistance Listing Number: 14.239 & 14.275

Federal Financial Assistance Funding Amount: $1,500,000.00

Total Estimated Infrastructure Expenditures: $14,350,000.00