DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Solicitation of Public Comment for Project-Specific Build America, Buy America Nonavailability Waiver Proposal

SUBJECT: Final: Project-Specific Nonavailability Waiver of Build America Buy America Act (BABA) Requirements to the Housing Hope Affordable Housing Project for Ductless Split-System Heat Pump Units, Elevators, and a Fire Alarm System (HUD Waiver #W-0000395)

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 October 5, 2026 to October 20, 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 ductless split-system heat pump units, elevators, and a fire alarm system in an infrastructure project funded through the HOME Investment Partnerships Program (HOME).

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 Housing Hope affordable housing project in Everett, Washington for ductless split-system heat pump units, elevators, and a fire alarm system.

Project Summary: The project is in Everett, Washington. The project is a multi-story affordable housing building designed to serve seniors, including individuals with disabilities located at 2624 Rockefeller Avenue, Everett, Washington.

Length of the Waiver: From November 2, 2026 until the completion of the project, which is anticipated to be May 31, 2028.

Items Covered in Waiver: The Washington State Department of Commerce is being issued a waiver for ductless split-system heat pump units, elevators, and a fire alarm system, as described in detail below:

- **Name of Product 1:** Ductless Split-System Heat Pump Units
  - **NAICS:** 333415
  - **PSC:** 4120
  - **Technical Specifications:** Must be Energy Star certified with a minimum SEER2 rating of 15.2 and a minimum HSPF2 rating of 7.8. All units must use A2L refrigerants in compliance with current EPA regulations. The systems include a combination of wall-mounted ductless units, ceiling cassette units, and ducted heat pump units in various capacities ranging from 1-ton to 5-ton configurations.

- **Name of Product 2:** Passenger Elevator
  - **NAICS:** 333921
  - **PSC:** 3960
  - **Technical Specifications:**
    - Unit 1 — Gurney/Stretcher:
      - Capacity: 3,500 lbs
      - Speed: 150 fpm
      - Landing/Stops: 6 (B1, L1, L1.2, L2–L4); 6 front openings, 1 rear opening
      - Door Type: Single-speed, side-opening (caddy-corner per IBC stretcher requirements)
      - Door Opening Size: 3'-6" × 7'-0",

        - Hoist Dimensions: 8'-11" wide × 7'-6-3/8" deep
        - Control System: Machine-room-less (MRL); MC5 controller; entrance-jamb mounted
        - Applicable Standard: ASME A17.1 / CSA B44 (ANSI 2019); Washington State Elevator Code
    - Unit 2 — Standard Passenger:
        - Capacity: 2,500 lbs
        - Speed: 150 fpm
        - Landing/Stops: 6 (B1, L1, L1.2, L2–L4); 6 front openings, 1 rear opening
        - Door Type: Single-speed, side-opening
        - Door Opening Size: 3'-6" × 7'-0"
        - Hoist Dimensions: 8'-11" wide × 6'-4-7/8" deep
        - Control System: Machine-room-less (MRL); MC5 controller; entrance-jamb mounted
        - Applicable Standard: ASME A17.1 / CSA B44 (ANSI 2019); Washington State Elevator Code

- **Name of Product 3:** Fire Alarm System
    - **NAICS:** 238210
    - **PSC:** 6350
    - **Technical Specifications:** Life-Safety Code required fire alarm and detection system serving the full building, including fire alarm control panel, cellular communicator, remote power supplies, smoke/heat detectors, combination smoke/CO detectors with low-frequency sounder bases, manual pull stations, horn/strobe notification appliances, and monitor/control modules.

Description of Efforts Made to Avoid the Need for a Waiver

Both the grantee and HUD made every effort to obtain domestically produced ductless split-system heat pump units, elevators, and a fire alarm system.

The grantee completed market research between May and June 2026 which consisted of outreach to manufacturers or suppliers for each of the products listed above. 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 products.

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: Housing Hope

Recipient Name: Washington State Department of Commerce

Unique Entity Identifier (UEI): K5CXYFV3DJA5

Federal Award Identification Number (FAIN): M24-DC530201; M25-DC53201

Financial Assistance Listing Name: HOME Investment Partnerships Program (HOME)

Assistance Listing Number: 14.239

Federal Financial Assistance Funding Amount: $2,463,327

Total Estimated Infrastructure Expenditures: $38,896,057