Pre-decisional DRAFT

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

SUBJECT: Under Evaluation: Project-Specific Nonavailability Waiver of Build America Buy America Act (BABA) Requirements to the Marguerites Place for Heat Pumps (HUD Waiver #W-0000409)

Introduction

This solicitation of public comment by the U.S. Department of Housing and Urban Development (HUD) is to evaluate a BABA waiver request submitted by an assistance recipient based on nonavailability of a single product for a single project.

This solicitation of public comment does not represent a final agency decision. The purpose of this proposal is to inquire whether potential alternative domestic products may be available that were not identified by the assistance recipient or through HUD's domestic product research efforts, and whether other factors should be considered in the evaluation of a waiver.

HUD has completed its market research efforts and was unable to identify alternative domestic products meeting the technical specifications of the project, in sufficient and reasonably available quantities and of a satisfactory quality. Through this public comment period, commenters may provide information that indicates a waiver may not be needed. For example, if a specified item is found to be domestically available, HUD would not issue a final waiver.

Solicitation of Public Comment

The proposed waiver will be posted on HUD's public facing webpage and a notice of the proposed waiver will also be posted to the Made in America website, to satisfy the requirement to publish any BABA project waiver and provide the public with fifteen (15) days to submit comments. HUD is seeking public and industry comments from all interested parties and encouraging current manufacturers of the subject products to submit comments regarding potential availability. Public comments on this waiver should be submitted to BuildAmericaBuyAmerica@hud.gov. Please reference HUD Waiver #W-0000409 in the subject line.

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

Proposed Waiver: HUD is soliciting comments regarding whether to issue a project waiver of the requirements of section 70914 of BABA included in the IIJA, for a single product in an infrastructure project funded through the Community Project Funding (CPF).

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.

Proposed Waiver Description: Project-specific nonavailability waiver of BABA requirements to the Marguerites Place affordable housing project in Nashua, New Hampshire for a heat pump.

Project Summary: The project is in Nashua, New Hampshire. The project consists of the redevelopment of vacant and blighted property adjacent to Marguerite's Place existing campus. The existing building will be demolished and replaced with a new four-story facility that will include 15 transitional housing units for mothers and children experiencing homelessness or fleeing unsafe environments, a Family Resource Center providing supportive services and prevention programming, and expanded licensed childcare capacity from 30 to 50 children annually.

Length of the Waiver: From the effective date of the final waiver until the completion of the project, which is anticipated to be November, 30, 2028.

Items Covered in Waiver: The Marguerite's Place is seeking a waiver for a heat pump, as described in detail below:

- **Name of Product 1:** Heat Pump
  - **NAICS:** 236116
  - **PSC:** C1FA
  - **Technical Specifications:**
    - Evaporator Coils: Evaporator coils of nonferrous construction with aluminum plate fins mechanically bonded to seamless copper tubes with all joints brazed. Each complete unit provided with a factory operating charge of refrigerant and oil. Separate cooling coil

circuits and expansion devices for each compressor in the unit. Condensate drain pan with integral pump.

- Air Cooled Condenser: Air cooled condenser with multiple, direct drive, low speed propeller fans. Coil construction of aluminum fins, mechanically bonded to copper tubes. Unit mounted, weather proof disconnect switch.
- Branch Box: Provide with R-32 or R45AB compatible A2L refrigerant leak detection, ventilated enclosure, alarms, and means for automatic shut off and isolation.
- Controls: The unit control system shall include high and low temperature safety cut out, low ambient fan controls to permit operation to -20 degrees F, capacity control compressor sequencer and control of supplemental heating. Manufacturer's central controller.

Description of Efforts Made to Avoid the Need for a Waiver

Both the grantee and HUD made every effort to obtain a domestically produced heat pump.

The grantee completed market research in June 2026 which consisted of outreach to three (3) manufacturers or suppliers of 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 heat pump.

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: Marguerite's Place

Recipient Name: Marguerite's Place

Unique Entity Identifier (UEI): F692HTLH9K71

Federal Award Identification Number (FAIN): B-26-CP-NH-1352

Financial Assistance Listing Name: Community Project Funding (CPF)

Assistance Listing Number: 14.251

Federal Financial Assistance Funding Amount: $2,500,000

Total Estimated Infrastructure Expenditures: $6,867,814

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