

April 15, 2024

Regulations Division  
Office of General Counsel  
U.S. Department of Housing and Urban Development  
451 Seventh St., SW, Room 10276  
Washington, DC 20410-0500

**Request for Information Regarding Iron, Steel, Construction Materials, and Manufactured Products Used in Housing Programs Pursuant to the Build America, Buy America Act Docket No. FR-6433-N-01**

Dear Sir or Madam:

We, the undersigned, are dedicated to addressing the critical housing needs of our nation and recognize the importance of ensuring affordable housing opportunities for all Americans. However, we face significant challenges in easing rising housing costs, preserving affordable housing stock, and facilitating the development of much-needed new housing supply. Our organizations comprise a diverse array of organizations spanning the housing sector, advocating for policies that promote equitable access to housing and address the unique needs of under-resourced communities. As stakeholders deeply invested in advancing housing affordability and stability as part of Department of Housing and Urban Development (HUD) programs, we appreciate the opportunity to provide input on the implementation of the Buy America Preference (BAP) authorized by the Build America, Buy America Act (BABA).

Our comments will describe the most common building products and materials used in new construction of single-family and multifamily housing, the most commonly imported items, and our lingering concerns about the potential unintended consequences for affordable housing production that may result from applying BABA domestic sourcing requirements to HUD's affordable housing programs.

**Materials Used in Housing Construction**

The National Association of Home Builders (NAHB) Economics Department conducted an analysis of Input-Output Accounts data from the U.S. Bureau of Economic Analysis (BEA) to identify the building products that would be most impacted by the BAP. The BEA data is available with a time lag, so the data was brought forward to 2023 using nominal percentage increases in the number of single-family and multifamily residential structure and imports of goods. The time-adjusted data shows close to \$179 billion in products used in 2023, of which \$13 billion (7.3 percent) was imported. Although the percentage of imports for many products and materials may seem relatively small, imports provide an important relief valve that can help avoid price spikes and input shortages that make it difficult to build housing—especially affordable housing.

The following chart shows the materials commonly used in construction of new single-family and multifamily housing. Some of the largest product categories are “plastic products”, which includes plastic piping, plumbing fixtures, and polystyrene foam insulation, and “architectural and structural metals”, which includes metal windows and doors, sheet metal ductwork, rails, and fencing.<sup>1</sup>

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<sup>1</sup> Emrath, Paul. 2020. *Building Products in New Residential Construction: What, Where, and Who*. Washington, DC: NAHB Economics and Housing Policy Group. A comprehensive breakdown of all product categories is available at the [NAICS Code Drilldown Table](#)

## Building Products Used Directly in New Single-family and Multifamily Construction: 2023 (in \$Thousands)

Product Category	Domestically Produced	Imported	Percent Imported
3341 Computers and peripheral equipment	30,505	66,966	68.7%
3331 Ag., construction, and mining machinery	226,354	383,411	62.9%
3344 Semiconductors and electronic components	60,754	48,583	44.4%
3352 Household appliances	3,557,015	1,817,263	33.8%
3351 Electric lighting equipment	2,492,614	1,131,850	31.2%
3345 Electronic instruments	250,631	76,157	23.3%
3271 Clay products and refractory materials	1,853,203	547,542	22.8%
3322 Cutlery and handtools	791,192	232,410	22.7%
3399 Other miscellaneous manufactured products	171,954	47,270	21.6%
3342 Communications equipment	458,912	126,053	21.5%
3353 Electrical equipment manufacturing	997,455	241,601	19.5%
3312 Products manufactured from purchased steel	387,975	89,287	18.7%
3262 Rubber products	523,141	114,235	17.9%
3253 Agricultural and basic chemicals*	1,106,141	233,723	17.4%
3313 Alumina and aluminum products	31,913	6,565	17.1%
3221 Pulp, paper, and paperboard	13,231	2,626	16.6%
3325 Hardware	3,768,273	703,795	15.7%
3211 Sawn lumber and treated wood products	3,594,595	631,578	14.9%
3359 Other electrical equipment and components	4,861,178	791,770	14.0%
3311 Iron and steel and ferroalloys	649,653	94,540	12.7%
3212 Plywood and engineered wood products	8,294,806	1,165,989	12.3%
3314 Other nonferrous metal products	309,054	42,018	12.0%
3279 Other nonmetallic mineral products	6,312,118	752,378	10.7%
3259 Other chemical products and preparations	193,133	22,322	10.4%
3329 Other fabricated metal products	6,958,932	802,274	10.3%
3326 Spring and wire products	26,537	2,626	9.0%
3222 Converted paper products	2,145,459	207,462	8.8%
3324 Boilers, tanks, and shipping containers	742,893	69,592	8.6%
3339 Other general purpose machinery	3,095,264	278,367	8.3%
3272 Glass and glass products	480,863	27,574	5.4%
3219 Other wood products	7,527,945	424,116	5.3%
3149 Other textile products	861,468	39,392	4.4%
3231 Printing and related support activities	34,725	1,313	3.6%
3334 HVAC & commercial refrigeration equipment	6,343,420	232,410	3.5%
3261 Plastic products	13,764,505	471,385	3.3%
3141 Textile furnishings	286,102	9,191	3.1%
3323 Architectural and structural metals	16,114,889	491,081	3.0%
3255 Paint, coatings, and adhesives	4,716,180	137,870	2.8%
3241 Petroleum and coal products	11,835,994	280,993	2.3%
3132 Fabrics	123,009	2,626	2.1%
3274 Lime and gypsum products	2,014,998	28,887	1.4%
3327 Machined products and screws, nut and bolts	764,714	10,504	1.4%
3273 Cement and concrete products	29,051,339	154,940	0.5%

3256	Soap, cleaning compound, and toiletries	1,442	0	0.0%
3315	Foundry products	5,766	0	0.0%
3321	Forged and stamped metal products	109,780	0	0.0%
3328	Coating, engraving, and heat treating metals	589,813	0	0.0%
3333	Commercial and service industry machinery	1,492,644	0	0.0%
3369	Other transportation equipment	23,064	0	0.0%
3371	Household & inst. furniture & kitchen cabinets	9,986,195	0	0.0%
3372	Office furniture and fixtures	5,725,390	0	0.0%
<b>Total: all products listed above</b>		<b>165,759,129</b>	<b>13,042,537</b>	<b>7.3%</b>

\*includes a small amount of product category 3251 (basic chemicals).

Source: NAHB calculations based on U.S. Bureau of Economic Analysis [Input-Output Accounts data](#)

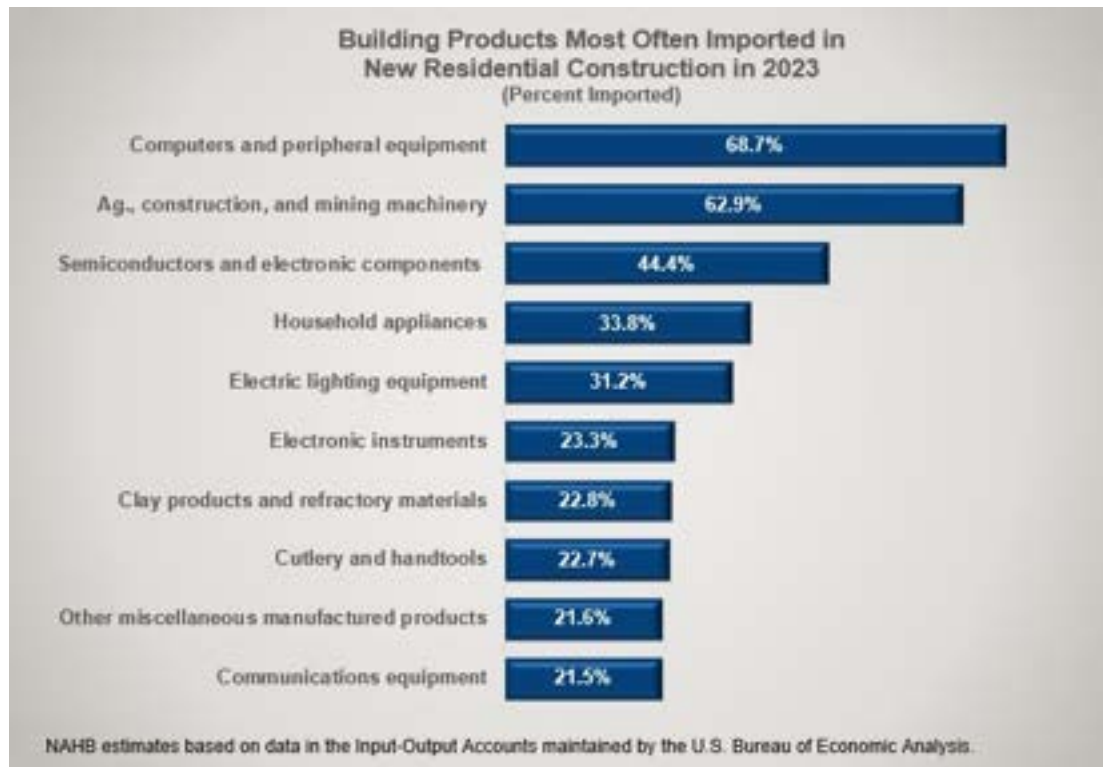
[Input-Output Accounts data](#)

### Domestic Materials Sourcing and Manufacturing

Banning imported materials for housing projects using federal financial assistance (FFA) would increase supply shortages, leading to construction delays and higher expenses. Even though most building products are primarily domestically procured, there can be unforeseen supply constraints that add to construction costs and increase delays. Thus, maintaining access to international markets is essential for builders and developers to ensure timely and budget-friendly completion of their projects and mitigate cost increases in the face of reduced supply.

Recent industry surveys further highlight the importance of maintaining access to imports of iron and steel, construction materials, and manufactured products. In a recent NAHB/Wells Fargo Housing Market Index (HMI) report, 63 percent of respondents reported having significant problems with building material prices and 37 percent had significant problems with the availability and amount of time it took to obtain building materials.<sup>2</sup> This data underscores the ongoing concern of the industry about access to materials, even without the presence of a domestic procurement mandate.

<sup>2</sup> NAHB Economics and Housing Policy Group. 2024. *Housing Market Index (HMI): Special Questions on Builders Challenges/Problems Faced in 2023 and Expect to Face in 2024*. Washington, DC: NAHB Economics and Housing Policy Group.



### Timing

Access to the product categories impacted by the BAP vary in response to global economic and political conditions that are largely unpredictable and can have immediate and long-term price impacts. Many product categories are already severely undersupplied and domestic sources cannot fully fill in the supply gap in the near term. Shortages such as these are cyclical and access to global markets helps to offset price volatility, but this market mechanism would be hampered by the BAP.

Furthermore, we remain unclear about how prepared domestic suppliers and distributors are to consistently verify products and materials as Made in America and what documentation from FFA recipients and subrecipients would suffice in the case of a HUD audit. Additionally, many of the undersigned represent subrecipients of HUD FFA and are concerned about differing documentation requirements across jurisdictions that will further increase their costs to meet varying BAP documentation standards.

### Conclusion

In closing, we are gravely concerned about the possible unintended consequences of BABA on affordable housing production. Expansion of the Buy America Preference (BAP) established by BABA will disproportionately burden builders, developers, contractors, and state and local governments already grappling with the housing supply shortage. These added costs will strain the resources of state and local governments and their development partners, ultimately reducing the pool of firms participating in HUD programs and curtailing affordable housing production. We firmly believe that the forthcoming implementation across all HUD FFA later this year, as presently scheduled, will precipitate an inundation of questions from stakeholders, exacerbating

delays in affordable housing projects nationwide. Therefore, we urge HUD to postpone implementation of the BAP for at least one year. During this extension, we request that HUD conduct a thorough assessment of the BAP's implications on affordable housing providers and devise comprehensive technical assistance measures to help stakeholders navigate the transition leading up to full implementation. Additionally, we emphasize the importance of maintaining access to international markets to prevent supply shortages, construction delays, and increased costs, particularly in the ongoing housing crisis context.

Thank you for your consideration of the information provided. Please contact Marc Daniels with the National Association of Home Builders at [mdaniels@nahb.org](mailto:mdaniels@nahb.org) if you have any questions or would like additional information.

Sincerely,

Council for Affordable and Rural Housing  
Habitat for Humanity International  
Manufactured Housing Institute  
Mortgage Bankers Association  
National Affordable Housing Management Association  
National Apartment Association  
National Association of Home Builders  
National Association of Housing Cooperatives  
National Leased Housing Association  
National Multifamily Housing Council