

COMMUNITY ACTION PROGRAM

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MEMO

DATE: 9 July 2008
TO: Dale, Allen, Weatherization Staff
FROM: Laura
SUBJECT: Furnace Replacement in Rental Properties

As of July 1, 2008 the state energy office has approved the replacement of furnaces in rental properties. The existing furnace must be in good working order.* The landlord is responsible to pay half the calculated cost of installation of an 80% furnace. SLCAP Weatherization will then install a **90% efficient furnace** as a conservation improvement.

This has been calculated based on the cost of materials plus the hourly rate of our two installers, including the cost of their fringe benefits. The total cost is calculated at \$1160.00. The (average) cost to the landlord will therefore be **\$580.00**.

Salt Lake CAP reserves the right to adjust this amount based on certain jobs which may require more extensive work or materials in some circumstances, i.e., conversion from a floor furnace to a forced-air system. This determination must be made in advance and payment must be received from the landlord prior to the beginning of any work.

*The definition is included in the Utah State Plan under WEATHERIZATION GLOSSARY, pg. 2, sub-heading *Furnace Replacement in Rentals:*

Replacement of heating equipment in rental units will be allowed based on the following criteria: Only 60% efficient units (atmospheric draft & standing pilot) in good current operating condition will be eligible. If the owner is willing to pay 50% of the agency cost, (material, labor and associated costs) to install an 80% unit, the local agency will install a 90% unit for the same cost. If the property owner with a qualifying furnace declines to participate in the furnace cost sharing, no other weatherization measure requiring a cost share will be installed on the dwelling unit. All contribution funds are to be collected from the rental property owner **before** agency starts the work. This rule will remain in effect as long as there is sufficient funding available. **Water heater replacements in rental units will not be allowed.** Any contribution by the owner or non-profit housing provider will not be considered program income. If the building owner or non-profit housing provider declines participation, the local Weatherization agency may complete other basic Weatherization improvements not subject to contribution participation. If the building owner or non-profit housing provider is not in a financial position to contribute or qualifies for Weatherization himself/herself, a rent freeze may be negotiated with the local Weatherization agency in lieu of financial contribution. *The Division of Housing and Community Development must be notified regarding all rent freezes negotiated with landlords and any other variances to this policy in writing.*