

# **FURNACE REPLACEMENT PROGRAM**

City of Sioux Falls ~ Department of Community Development  
235 West 10<sup>th</sup> Street ~ PO Box 7402  
Sioux Falls, SD 57117-7402  
(605) 367-8180 or TTY (605) 367-7039

The City of Sioux Falls Department of Community Development is accepting applications for the Furnace Replacement Program. This program may provide up to \$3,000 to eligible homeowners for the replacement of older inefficient heating systems (less than 80% AFUE). Funding will be provided as a no-interest loan. If the homeowner retains ownership and remains in the home, 1/3 of the loan will be forgiven after the first full year from the date of the project close out and another 1/3 of the loan will be forgiven after the second full year. The remaining 1/3 of the principal loan balance will remain as a no-interest deferred loan until loan is paid and satisfied. If the property is sold or the owner discontinues occupancy, the remaining principal balance shall immediately become due and payable, until that time no payments are necessary. Homeowners, once approved, will obtain competitive bids from three (3) different licensed HVAC companies. Community Development will provide loan funds for the lowest competitive bid up to the \$3,000.00 maximum. Homeowner's will be responsible for any costs exceeding \$3,000.00.

This program is made possible through funding from the Community Development Block Grant – Recovery (CDBG-R) Program as part of the Federal American Recovery and Reinvestment Act of 2009. This program is contingent on receipt of the federal funds. Funding for this program will be limited; therefore, interested applicants are encouraged to apply early. Applications will be date stamped and processed in the order they are received.

The objective for the Furnace Replacement Program is to foster energy independence. Replacing an older heating system with a new high efficient furnace may reduce your heating bills by as much as \$497 the first year alone. Actual savings will depend on the furnace it is replacing, thermostat settings, and other factors. New furnaces may also be eligible for an Energy Tax Credit for 30% of furnace costs on your 2009 Federal Tax Return. Please consult with your tax advisor for further information.

## **Eligible Improvements may include:**

- Replacement of old inefficient heating systems (less than 80% AFUE)
- 95% AFUE Furnace
- Digital thermostat

## **Application Requirements:**

1. Applicants must be single family homeowners residing within the City limits of Sioux Falls that have owned and occupied their homes for a minimum of one (1) year. The properties must be single family detached homes affixed to permanent foundations. Mobile homes, townhouses, condominiums, duplexes and twin homes are not eligible for this program.
2. Total gross annual household income must be at or below 80% of the Area Median Family Income for their family size as established by HUD.

	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
80% MFI	\$37,300	\$42,650	\$47,950	\$53,300	\$57,550	\$61,850	\$66,100	\$70,350

3. The following supporting documentation must be submitted with the application:
  - A signed copy of your income tax return from last year, including all schedules (if you did not file, provide a signed statement that you did not file). Self-employed applicants must submit the last two years tax returns.
  - Copies of your two most recent pay stubs showing year-to-date income for each employed member of the household.
  - Complete copies of your last two bank statements for each account held.
  - A copy of your homeowner's certificate of insurance.
  - A copy of the current year's statement of benefits if you receive Social Security benefits.
  - If applicable, a complete copy of the finalized divorce decree or most current order showing child support, alimony and/or any property settlement.
  - Property taxes and other financial obligations must be current. No outstanding judgments or county aid liens may be attached to the property.

**Applications will not be considered until deemed complete and all supporting information has been received.**

## **How to Apply:**

Contact the Department of Community Development at 367-8180 or visiting Community Development at 235 West Tenth Street, Sioux Falls, SD. Office hours are 8:00 am – 5:00 pm, Monday – Friday.

