Citizens' Housing and Planning Association

One Beacon Street, 5th Floor, Boston MA, 02108
(617) 742-0820 | chapa.org

CommonWealth Builder

Capital Improvement Policy

You may make any improvements to you your home that you see fit without prior approval from CHAPA, including maintenance, repairs, replacements, alterations, or expansions. However, only certain *approved* Capital Improvements can be considered when determining the affordable resale price of your home.

CommonWealth Builder defines Capital Improvement as an extraordinary improvement (not routine maintenance or repairs) not covered by regular condominium or homeowner association fees. The improvement must also be commercially reasonable. The total value of all your Capital Improvements at resale cannot be more than three percent (3%) of the purchase price of the property multiplied by the number of full years of ownership.

Please note that the formula in your deed restriction for calculating your Maximum Resale Price may further limit how much CHAPA can add to your resale price. Many deed restrictions require the price to stay affordable to an income eligible household *no matter the extent of the Capital Improvements.* The following table provides a list of common capital improvements:

Qualify as Capital Improvements	**Do Not Qualify as Capital Improvements**
• New flooring • Kitchen upgrades (new countertops, cabinetry, appliances etc.) • Bathroom upgrades (new shower, tiling, etc.) • Adding a deck/outdoor patio • Adding a bedroom • Any other addition/expansion • Other substantial improvement/upgrade done to maintain the marketability of the home	• Any routine maintenance or repairs done to the home • Any improvement paid through by condo or HOA fees

Do-It-Yourself Improvements: If you plan to do the work on your own, only material costs can be taken into consideration; no labor costs are permitted.

Special Assessments: Special assessments that you paid as a member of your condominium or homeowner's association to complete an otherwise eligible Capital Improvement may also be factored in the Maximum Resale Price. This will be reviewed on a case-by-case basis and will require that you provide additional documentation to CHAPA.

Depreciation: At the time of resale CHAPA will take into consideration the current value of the improvement based on a depreciation schedule. This means the longer the time since your improvement was complete, the smaller its effect on the resale price given the estimated lifespan of the improvement.

Doing Work to Your Home: Please keep in mind that any work done to your home must comply with condominium or homeowners' association rules, as well as local and state building code and zoning ordinances. You are responsible for obtaining any other necessary permissions.

Solar Panels: Solar panels may be a Capital Improvement only if the panels are owned outright. Leased solar panels are not eligible Capital Improvements. Regardless of whether solar panels installed on your home are Capital Improvements or not, *if you sell your home, any lease or financing related to solar panels* ***cannot*** *be passed on to the buyer.* You are financially responsible for settling those obligations prior to closing on the sale.

Getting Capital Improvements Approved

All Capital Improvement requests should be submitted as soon as you complete the work. You will need to submit documentation that the work was completed and paid for. You can **submit your Capital Improvement request here**. Upon receiving your request, CHAPA will review the information and follow up with a determination in writing.

If you wish to inquire whether a particular improvement is eligible before you start work, you may contact us via email with a description of the work to be done and an estimate or other documentation of the anticipated cost.

Requests for capital improvements or questions can be directed to:
Josh Vogel
Program Associate
(617) 862-0334
jvogel@chapa.org