

The following Capital Improvement Policy (the Policy) details the process in which owners of Employee Ownership Housing may apply to have the value of eligible Capital Improvements added to the resale value of their Employee Unit. The Policy applies to all properties subject to the following Housing Agreements: ST070090, ST080100, ST060094, ST060089, ST010091. A list of the applicable Employee Ownership Housing projects is included at the end of the Policy. The Whistler Housing Authority (WHA) acts as the Municipality's representative for administration of the Capital Improvement Policy.

GUIDING PRINCIPLES

The following guiding principles form the basis on which the Capital Improvement Policy has been developed.

- The Municipal Housing Agreement registered on title of all Employee Ownership Housing sets out the regulatory framework through which a Capital Improvement may be assessed.
- Owners of Employee Ownership Housing are required by the Municipal Housing Agreement to maintain their properties in a satisfactory state of repair, fit for habitation, and to comply with all applicable laws.
- The Policy is intended to ensure that Employee Units are kept in a well maintained, livable and functional condition whilst preserving housing affordability for the Employee Housing Ownership Program in perpetuity.
- The Policy supports the [sustainability goals](#) of the Municipality.
- To ensure proper administration of the process, all Capital Improvements MUST be approved by the Whistler Housing Authority in advance of the work being conducted for the cost of the eligible improvements to be considered for future resale value.

CAPITAL IMPROVEMENT POLICY OVERVIEW

A Municipal Housing Agreement is registered on the title of all Employee Ownership Housing. It forms an agreement between the owner and the Municipality and sets out the legal framework for assessing any Capital Improvement credit that may be added to the resale value of the Employee Unit. Under the terms of the Housing Agreement, all eligible Capital Improvements:

- Must have all necessary permits issued by the Municipality for the work completed (i.e. Building, Electrical, Plumbing, etc);
- Are added to the Employee Unit, commensurate with their value, at the time of resale; and
- Are at the sole discretion of the Municipality.

Furthermore, the Housing Agreement includes the requirement that the owner must maintain their Employee Unit in a satisfactory state of repair, fit for habitation and to comply with all applicable laws.

Through the course of homeownership, owners will from time to time undertake work to maintain and improve their Employee Units. This work will fall into one of the following two categories:

1. Repairs, Maintenance and Replacement; and
2. Capital Improvement.

Only work considered a Capital Improvement is eligible for a Capital Improvement Credit. The WHA, as the Municipality's representative, has the sole discretion to determine whether work completed is an eligible Capital Improvement. For further information, including examples of each of the two categories, please read the relevant section below.

1. REPAIRS, MAINTENANCE AND REPLACEMENT

The Housing Agreement registered on title of the Employee Unit requires owners to maintain their Employee Units in a satisfactory state of repair and fit for habitation, in compliance with all laws including health and safety standards applying to the land.

Repairs, maintenance, and replacements, including the replacement of existing elements or building features fall within this ownership responsibility and are not eligible for Capital Improvement Credit. Much like property tax and insurance, repairs and maintenance are considered a normal and expected cost of homeownership.

Examples of repairs, maintenance, and replacement works that are **ineligible** for Capital Improvement Credit include, but are not limited to:

- Painting (interior and exterior).
- Flooring replacement (including a change of finish i.e. carpet to hardwood).
- Kitchen and bathroom renovations and replacements.
- Replacement appliances, hot water heaters and HVAC.
- Roof repairs and replacements.
- Landscaping.
- Interior renovations or remodels that do not increase livable space or the number of bedrooms or bathrooms.

2. CAPITAL IMPROVEMENT

A Capital Improvement is a new feature, addition or extension made to the Employee Unit that clearly provides a new and permanent improvement to the utility, durability, livable space, storage or energy efficiency for current and future owners of the Employee Unit.

The decision to allow a Capital Improvement request is at the sole discretion of the Municipality. In exercising this discretion, the WHA on behalf of the Municipality will consider Capital Improvement requests that address the following objectives:

- A Capital Improvement must provide a new and permanent improvement to the Employee Unit for the benefit of all future owners.
- A Capital Improvement must represent good value and not diminish housing affordability for all future owners.
- A Capital Improvement, wherever possible, should improve the energy efficiency of the Employee

Unit.

Replacement, renovation, or minor upgrades of existing building features are not considered a Capital Improvement and therefore, are **ineligible** for Capital Improvement Credit. Limited exceptions may be made for work that improves the energy efficiency of the Employee Unit.

The eligible costs of the Capital Improvement, if approved, will be added to the resale value of the Employee Unit at time of resale. To note:

- The approved costs will not appreciate during the existing period of ownership.
- The value of equipment with a limited useful life such as newly upgraded HVAC systems will be depreciated according to industry standards.
- The value of any rebates received for the work will be deducted.

Examples of **eligible Capital Improvements** include, but are not limited to:

- New, permanent, functional, non decorative improvements.
- The addition of new living space such as a new bedroom, bathroom, or storage area.
- Installation of renewable energy generation or electric vehicle charging infrastructure.
- The upgrade of existing HVAC systems with new, more efficient systems (i.e. replacing electric baseboards with a heat pump).
- New decks, patios, or parking spaces.

Examples of **ineligible Capital Improvements** include, but are not limited to:

- Work completed without the issuance of necessary permits required by the Municipality.
- Work completed without prior conditional approval from the WHA.
- Repair replacement and/or refurbishment of exiting features or building elements such as flooring, appliances, lighting and other fixtures.
- Decorative work such as painting, wallpaper, tiling, and paneling of previously finished walls.
- Replacement of kitchen and bathroom cabinets, counters, backsplash tiling and fixtures.
- Small extensions of living space or structures.
- Recreational, lifestyle or luxury additions such as audiovisual equipment, built in speakers, ducted vacuums, hot tubs, steam showers.
- Fireplaces.
- New gas connections.
- Landscaping.
- No allowance will be made for “sweat equity” or in-kind contributions.

PROCESS FOR CAPITAL IMPROVEMENT REQUESTS

If an owner proposes to complete a Capital Improvement in their Employee Unit, the following Capital Works Request process must be followed.

1. All Capital Improvements MUST be conditionally approved by the WHA in advance of work being undertaken. No consideration will be given for a Capital Improvement Request submitted after the work has been commenced.
2. The owner must complete the *Request for Capital Improvement Credit* and submit to the WHA. The Owner will be required to include with this submission plans or drawings of the proposed work, quotes, tradespeople and suppliers (if known), as well as photos of the location of where the work will be completed.
3. The WHA will review the request to confirm the eligibility of the proposed Capital Improvement and will respond to the owner with a conditional approval of Capital Improvement.
4. Upon completion of the Capital Works, the owner must submit a *Capital Improvement Declaration*, along with digital copies of all invoices, receipts, permits, plans, tradespeople, vendors, and completion photographs for the work completed.
5. The WHA may elect to inspect the Employee Unit to verify the work completed.
6. For projects in excess of \$25,000, the WHA will forward the final Capital Improvement Declaration and supporting documentation to a licensed Quantity Surveyor to complete a third-party review. The review will be completed at the cost of the owner, for which they will receive a credit for the cost of the review in their Capital Improvement approval.
7. Upon satisfaction that the Capital Improvement has been completed in accordance with the *Request for Capital Improvement Credit* and conditional approval, WHA will send written confirmation of the approved Capital Improvement to the owner.
8. At the time of resale, the approved Capital Improvement credit value will be added to the resale price of the Employee Unit. Please note: the value of the Capital Improvement credit does not appreciate.

DISPUTE

If the owner is unsuccessful in gaining conditional approval of a proposed Capital Improvement or Major Capital Replacement, they may escalate the decision to the WHA Board of Directors for review.

If, at the completion of a conditionally approved Capital Improvement or Major Capital Replacement, the owner is dissatisfied with the value of the improvement as determined by the Municipality, the owner may, at its expense, engage a Quantity Surveyor to establish the value of such improvement, but the Municipality will in no way be bound by the value established by the Quantity Surveyor, and the Municipality will, in its sole discretion, determine the permitted increase, if any, in the resale price.

APPLICATION

This Policy Applies to the following Employee Ownership Housing projects:

- Solana
- Fitsimmons Walk
- Rainbow
- Nita Lake
- The Terrace
- The Rise
- Whitewater
- The Springs
- The Falls
- The Heights
- The Lofts
- Lakecrest
- Bear Ridge
- Dave Murray Duplexes
- 1340 & 1360 Mount Fee

PLUS: Any other Employee Ownership Housing Unit that has been resold after June 2006.