

A Regional Coalition for Housing

Celebrating 30 years of bringing cities together to house East King County

Together Center 16305 NE 87th St, Suite 119 Redmond, WA 98052 (425) 861-3677

Thank you for reaching out to ARCH staff regarding a credit to your resale price for an improvement. ARCH staff will need the following information from you to determine if your improvement is eligible.

Criteria for Approval

- Each improvement must be substantial and total at least 1% of the current owners purchase price to be considered.
- Only non-operative or deteriorated equipment will be considered (proof is required).
- Owners must reach out to ARCH prior to making the improvement.

Eligible Improvements:

- Replacement or upgrade of essential heating systems
- Replacement or upgrade of plumbing system
- Replacement or upgrade of electrical system
- Square footage increases only if adding an <u>additional bedroom</u> that increases the potential occupancy size of the home. [NOTE: Per Section 4.2.2, the approved value of improvements shall not cause the adjusted Formula Value to be unaffordable to subsequent eligible buyer households, as determined by the City or Designee.]

Required Documentation

- Improvement application
- Documentation showing that the appliance, fixture, or equipment being replaced is nonoperative- or has deteriorated within 20% of its useful life.
- Detailed estimate of the improvement costs
- A final receipt showing that the improvement was made/paid for will be required at the end
 of the process.



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How is the credit amount calculated?

The credit is based on "replacement cost of the original appliance fixture or equipment" This means that your credit will be based on the cost of the original materials that you are replacing <u>not</u> the materials that you are installing. For example, if you are replacing 10-year- old carpet with new vinyl laminate, the value added to resale will be based on price of new carpet installation.

All improvements depreciate over time. The depreciation schedule is based on the years of useful life of the material installed.

If you had damage that resulted in an insurance settlement you will not be approved for an additional improvement credit.