

What is Considered Capital Improvement?

In California, capital improvement projects generally involve permanent, long-term improvements or additions to property that increase its value or extend its useful life. These projects **are not eligible** for First 5 Shasta grant funding. Here's a list of examples of things considered capital improvements:

1. Construction or major renovations:

- Building new structures (e.g., classrooms, offices)
- Expanding existing buildings (e.g., adding new wings or floors)
- Renovating or remodeling existing spaces (e.g., gutting and rebuilding a room)

2. Landscaping and site improvements:

- Building parking lots, walkways, or roads
- Installing fencing, walls, or retaining structures
- Installing outdoor lighting systems or irrigation systems

3. Utility infrastructure:

- Installing or upgrading electrical, plumbing, or HVAC systems
- Constructing new water, sewer, or gas lines on the property
- Installing or replacing major components like boilers, chillers, or air conditioning units

4. Building systems or structural upgrades:

- Replacing roofs, windows, or doors (including egress windows)
- Structural reinforcement or foundation work
- Installing new or replacing existing elevators or escalators

5. Major renovations or replacements of interior fixtures:

- Replacing flooring (e.g., putting in new tile or carpet throughout an entire area)
- Installing permanent cabinetry or built-in furniture
- Replacing major kitchen or bathroom fixtures (e.g., sinks, toilets, cabinetry)

6. Energy efficiency upgrades:

- Installing solar panels or other renewable energy systems
- Replacing or upgrading insulation or windows for energy efficiency
- Installing energy-efficient lighting or HVAC systems

7. Environmental improvements:

- Installing rainwater harvesting systems
- Creating stormwater management systems (e.g., bio-swales or retention ponds)
- Building green roofs or other environmentally sustainable features

8. Architectural and design features:

- Installing custom-designed permanent features like murals, sculptures, or specialized architectural details
- Constructing permanent outdoor classrooms or shaded areas

First 5 Shasta reserves the right to evaluate each project on a case-by-case basis and may approve capital improvement funding if the project is essential for addressing safety concerns within childcare programs.

Some expenses that might seem like capital improvements but are not considered capital improvements (and thus might be eligible for funding) include:

1. Routine Maintenance and Repairs:

- Painting (as long as it's not part of a larger renovation project)
- Replacing broken windows or doors (if they're not part of a larger structural overhaul)
- Fixing leaks or replacing a single damaged roof shingle or tile

- Plumbing repairs that do not involve installing new systems (e.g., fixing a pipe or faucet)
- Replacing worn-out carpets or flooring (if it's not part of a major renovation project)

2. Furniture and Equipment:

- Classroom furniture (e.g., desks, chairs, tables)
- Educational materials and supplies (e.g., books, art supplies, toys)
- Office equipment (e.g., computers, printers, office supplies)
- Technology upgrades (e.g., replacing or upgrading computers, projectors, or other classroom tech tools)
- Small appliances (e.g., microwaves, refrigerators for classroom or office use)

3. Temporary Fixtures:

- Portable play equipment (e.g., sandboxes, modular play structures, movable toys)
- Temporary partitions or room dividers (not permanently affixed to the building)

4. Non-Structural Upgrades:

- Decorating with wall hangings, temporary signage, or bulletin boards
- Installing window treatments (e.g., curtains or blinds)
- Minor kitchen appliance replacements (e.g., replacing a coffee maker or toaster, not a full kitchen remodel)

These items are generally considered day-to-day operational costs and are not viewed as permanent physical changes to the property. However, they still require proper documentation to ensure they align with the grant's goals and guidelines. Providers might find these categories confusing because they involve upgrades or replacements but don't involve the long-term structural changes associated with capital improvements.