



# The Corporation of the Village of Salmo

## COMMITTEE OF THE WHOLE MEETING

A Committee of the Whole meeting of the Council of the Village of Salmo to be held in Council Chambers at 423 Davies Avenue, Salmo, B.C. on **Tuesday, June 23, 2026 at 6:00 p.m.**

*The public may attend in person or electronically. The electronic link will be available on our website on Tuesday.*

### AGENDA:

**1. Call to Order & Welcome**

**2. Traditional Lands Acknowledgement Statement**

We acknowledge and respect the indigenous peoples within whose traditional lands we are meeting today.

**3. Adoption of Agenda**

**STAFF RECOMMENDATION:**

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That the agenda of the Committee of the Whole meeting of Tuesday, June 23, 2026 be adopted as presented.

**4. Adoption of the Minutes - NIL**

**5. Delegations**

**(1) Arianne Chagnon, Lhasa Developments Ltd. Re: Built for the Future, Salmo Project - #26**

Pg.3

**6. Bylaws and Policy Development and Review**

**(1) Zoning Bylaw #773, 2026**

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**7. Public Participation**

**8. Adjournment**

*The next Committee of the Whole meeting will be on September 22, 2026 at 7:00 p.m.*





SCHEDULE "E"  
The Corporation of the Village of Salmo  
DELEGATION APPLICATION FORM

VILLAGE OF SALMO

Delegate(s) Name: Arianne Chagnon

Mailing Address: 4401 Forty-9 Creek Rd, E, Nelson, V1L 6X2

Email Address: lhasadevs@gmail.com

Phone No.: (403) 431-0837

Delegation Status: (select one)

[  ] Representing a Group/Organization/Business Lhasa Developments Ltd. (Built for the Future)  
(Name of Group/Organization/Business)

[  ] Attending as an Individual

Council Date Requested for Meeting: June 23rd, 2026

Purpose of the Delegation Request:

To present the Built for the Future: Salmo Project, a proposed 20-units attainable homeownership community in Salmo. The purpose of the delegation is to discuss the project with Council, identify what would be required to support its development, and explore how the project can align with and advance the Village' s housing goals and community priorities.

Note:

- A copy of all information regarding the presentation **must** accompany this application.
- Delegation requests are subject to approval by the Mayor and Corporate Officer. Submission of an application is not a guarantee that you will be approved to appear before Council. Where the subject matter of a delegation pertains to legal matters, personnel, and/or private property issues, the Village of Salmo reserves the right not to approve the delegation.
- The Village of Salmo cannot guarantee you will be scheduled on the date requested

I/We acknowledge that only the above matter will be discussed during the presentation:

Signature:

Date: 2026-05-25

This information is collected by the Village of Salmo in accordance with Section 124 of the *Community Charter* and is protected under the *Freedom of Information and Protection of Privacy Act*. The information will be used to facilitate processing this request to appear as a delegation before Council. Should you have any questions about the collection of this personal information, please contact the Village of Salmo, Corporate Officer at 250.357.9433.

The applicant, in the process of submitting or authorizing this application, hereby recognizes and accepts that this material will become available to the public as part of the application, review and approval process.  
AC Applicant's Initials

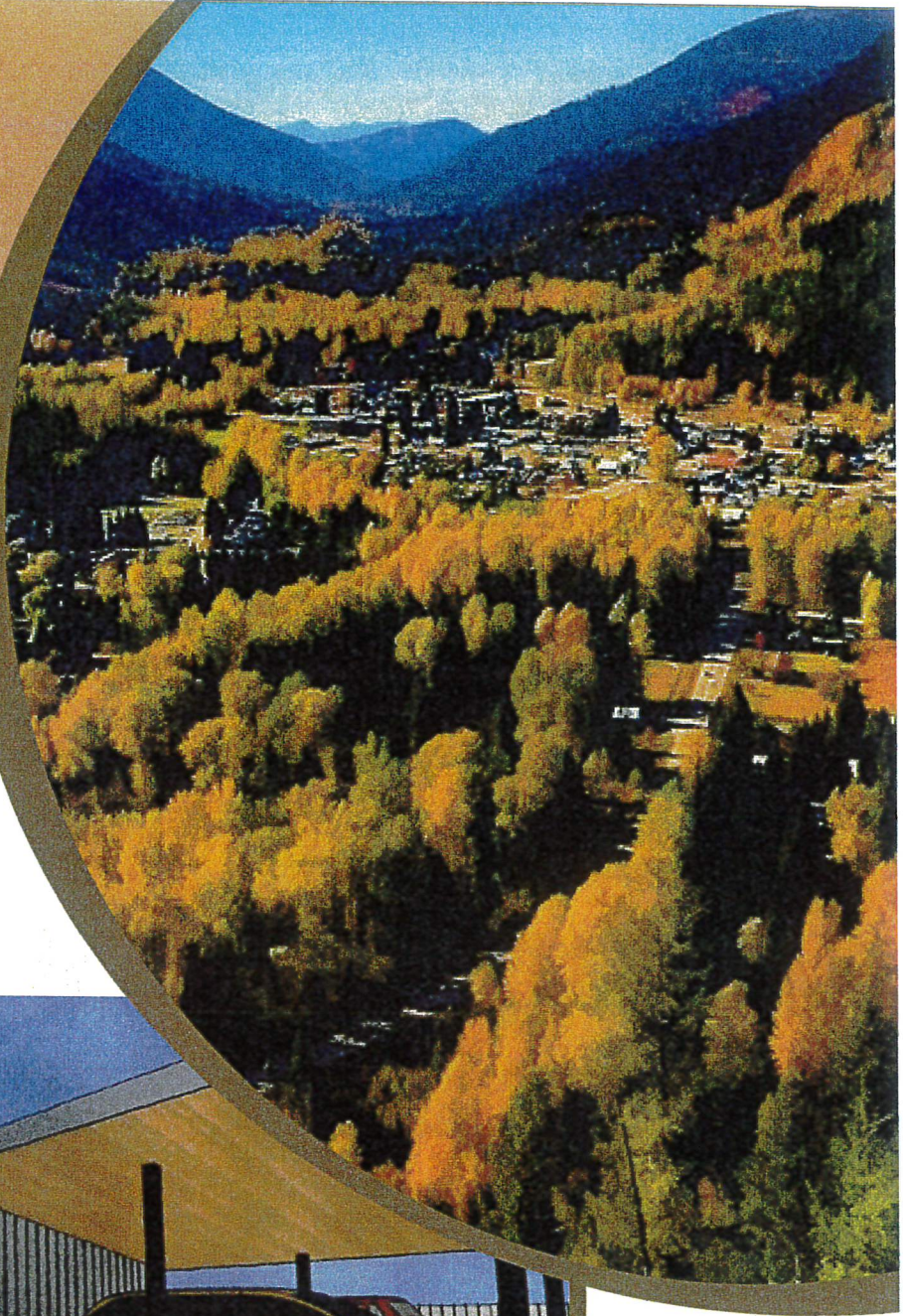
Return completed form along with the information regarding the presentation to the Corporate Officer either by mail, in person, by fax, or by email

Completed forms can be faxed to (250)357-9633 or emailed to info@salmo.ca.



BUILT  
FOR THE  
FUTURE

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ATTAINABLE HOUSING

SALMO PROJECT

LHASA  
DEVELOPMENTS LTD

# EXECUTIVE SUMMARY

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## ***The Need & Opportunity***

Across Salmo and the Kootenays, rising housing costs are pushing middle-income families, seniors, and first-time buyers out of homeownership. The RDCK has identified a need for 4,010 affordable and below-market homes by 2041, yet small rural communities often lack the tools to deliver these homes on their own.

This project responds directly to that need with a shovel-ready, 20-home bare-land strata community on owned land, in proximity to services, within the Village of Salmo. Homes are thoughtfully designed to support

- Accessibility
- Aging in place
- Strong energy and climate performance

***Helping people stay rooted in the community for the long term.***

## ***The Solution & Partnership***

By working together, this partnership combines private development capacity, municipal planning, and regional housing priorities to deliver permanently attainable homes, without creating financial burden for the Village of Salmo.

We are seeking collaboration with the Village of Salmo, RDCK, and local partners to support planning, approvals, grant applications, and long-term affordability oversight. Approximately \$3.2 million in senior government grants would be applied directly to lower purchase prices. We estimate the prices to be:

- 3-bedroom homes: from \$650,000 to \$478,000 (16 homes)
- 2-bedroom homes: from \$423,000 to \$311,000 (4 homes)

Long-term affordability will be protected through a price-limited resale covenant, using proven approaches inspired by Whistler and Canmore.

## ***Timeline & Community Impact***

Once partnerships, approvals, and funding are in place, homes can be delivered within 18 months.

This project supports local, provincial, and federal housing goals while offering a practical, repeatable model for rural communities. Most importantly, it helps ensure that families, seniors, and local workers can continue to live, contribute, and thrive in Salmo, strengthening the community today and for generations to come.

### ***Vision***




To build a future where families, seniors, and first-time homebuyers can put down roots and access permanently affordable, environmentally responsible homeownership in the communities they call home

### ***Mission***

To solve the housing affordability crisis through strong partnership with municipalities and organizations by creating a replicable model that makes climate-responsible homeownership permanently attainable for communities across generations.

***Our goal is to build the West Kootenays' first covenant-protected, bare-land strata community in Salmo - 20 attainable homes that show how private initiative and municipal partnership can create permanently affordable homeownership and a replicable model for communities across the region.***

### ***To Deliver This Project We Aim To:***

-  Partner with the Village of Salmo, RDCK, and an appropriate non-profit organization whose mission aligns with permanent affordability, environmental responsibility, and community well-being
-  Secure government financial support through joint grant applications and access to low-interest construction loans
-  Build strong local and regional community support to improve project favourability



## PROJECT OBJECTIVES

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- Establish registered resale covenants to ensure permanent affordability
- Build homes to passive solar standards
- Limit embedded carbon through responsible material and design choices
- Deliver transparent construction cost savings through a cost-plus model
- Support the local economy by prioritizing local labour and services
- Design homes and shared spaces for long-term livability and aging in place
- Create community-oriented infrastructure that encourages connection
- Reduce long-term maintenance costs through durable construction
- Integrate wildfire-resilient design strategies
- Demonstrate a model that can be replicated in other rural communities

## ABOUT US

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We are a purpose-driven development team established to deliver housing with lasting social, environmental, and community impact. Operating within a for-profit model, our work is guided by a commitment to improving

**Homeownership attainability**  
**Addressing human-induced climate change**  
**Strengthening community resilience in the Kootenays**

Our team combines expertise in environmental policy, project management, community engagement, engineering, finance, home construction, and green building innovation.



## PROJECT RATIONAL

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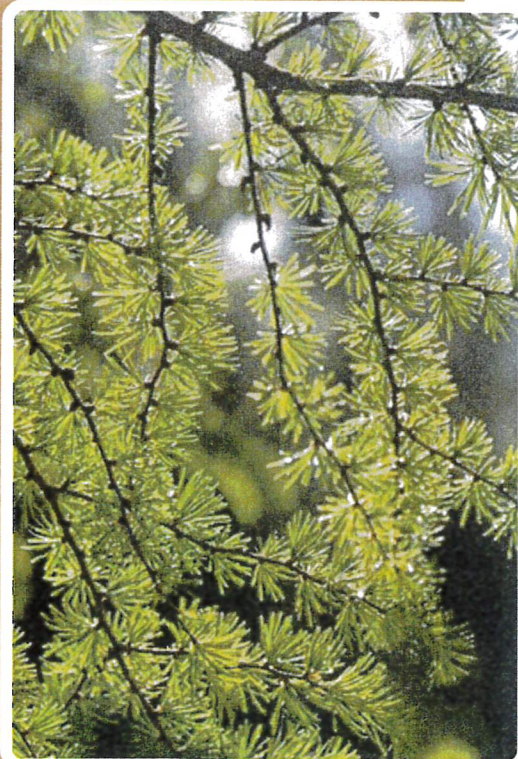
### *Providing Climate Leadership Through Construction*

The construction sector is a major source of greenhouse gas emissions in British Columbia, accounting for **19% of total emissions, including 12% from residential construction**. Meeting the goals of the Paris Agreement and CleanBC requires a rapid shift to low-carbon housing.

The ***Built for the Future Project*** responds by embedding carbon reduction strategies into every stage of design and construction—through material choices, building form, and high energy performance.

***The project directly supports the Village of Salmo's goal to reduce community-wide emissions 33% below 2008 levels by 2030.***

By delivering a practical, cost-effective model for climate-responsible housing within attainable homeownership, this project demonstrates a scalable pathway for sustainable rural development across British Columbia.



## Addressing the Need For Attainable Housing

Regional housing data underscores the urgent affordability crisis in the Central Kootenays. A 2020 survey by the Regional District of Central Kootenay found (RDCK)

- **Over 90% of renters consider home prices unaffordable**
- **76% of renters reported no homes within their budget**

In Salmo specifically, median home prices rose 62% between 2019 and 2022, **putting ownership out of reach for many middle-income households**. This has expanded the “missing middle”, where people are earning too much for subsidized housing but unable to afford market homes.

The ***Built for the Future Project*** directly addresses this gap. Delivering 20 two- to three- bedroom homes, **it meets 77% of the projected 26-unit need identified** in the 2024 Salmo Housing Needs Report.

## Reducing Cost of Living Through Energy Efficiency

With nearly **two-thirds** of Salmo’s housing stock built before 1980, many residents face **high energy costs** and maintenance burdens. **Rising utility expenses, are increasingly driving households into energy poverty** and limiting their ability to save.

The ***Built for the Future Project*** addresses this challenge by designing homes for low energy consumption and long-term durability. Energy-efficient construction and thoughtful design provides energy security by reducing utility bills and maintenance costs, lowering the overall cost of living.



## *Responding to the Need For Intergenerational and Inclusive Design*

By 2041, senior-led households in Salmo are projected to increase by **62 percent, potentially representing nearly half of all households**. Designing homes that support aging in place while remaining welcoming to families and future residents is therefore essential to long-term community stability.

The ***Built for the Future Project*** responds by embedding universal design and accessibility from the outset. While local housing needs reports emphasize accessibility primarily in the context of aging, this project recognizes **the broader need for homes that accommodate people of all abilities and life stages**.

- **Barrier-free entries Wider doorways**
- **and hallways Roll-in showers**
- **Accessible kitchen and bathroom layouts**

Collectively our design ensures that homes remain functional and inclusive over time. This approach supports intergenerational living, promotes dignity and independence, and creates housing that serves the full spectrum of the community today and into the future.



# THE COVENANT APPROACH EXPLAINED

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Many affordable housing models rely on ongoing, income-based government subsidies tied to individual households. While helpful in the short term, these approaches require continuous public funding to keep homes affordable.

Our approach creates permanent affordability by registering resale covenants on bare-land strata titles and partnering with local organizations for long-term administration and oversight. This ensures homes remain:

- ✓ Attainable for future buyers
- ✓ Aligns with regional housing objectives
- ✓ Reduces reliance on ongoing government operating subsidie

**The result is a stable, long-term, community-centered alternative to conventional affordable housing models, one that protects public investment while supporting lasting homeownership.**



## Covenant Administration



We plan to partner with a qualified non-profit to establish a governing body responsible for overseeing covenant-controlled homes.

### Key functions will include:

- Co-developing and maintaining covenant agreements
- Monitoring compliance with covenant requirements
- Calculating annual allowable resale prices
- Maintaining a registry of covenant-protected homes
- Reviewing and approving capital improvement claims
- Exercising enforcement measures when necessary

- Full ownership rights, including standard mortgage access
- Equity building through mortgage paydown and modest appreciation

- Recovery of approved capital improvements at resale
- Long-term housing stability with predictable costs
- Protection from market volatility

**This structure ensures permanent affordability while supporting homeowner equity, stability, and confidence in their investment.**



## *Bareland Strata Explained*

***In a bare-land strata, homeowners own both their home and the land it sits on, while sharing responsibility for common elements such as internal roads, outdoor spaces, and community infrastructure through a strata corporation.***

Owners maintain full responsibility for their homes, while benefiting from shared infrastructure, coordinated management, and lower long-term costs.

This model supports affordability by spreading infrastructure costs across all residents while preserving independence and long-term investment. Registered resale covenants ensure homes remain permanently attainable, fostering stability and continuity within the community.

***By combining private ownership with shared stewardship, bare-land strata creates a resilient, community-oriented framework well suited to rural settings.***

Homes in the ***Built for the Future*** project will be sold at cost-controlled prices, supported by efficient construction, anticipated grant funding, and green building initiatives. Each title will carry a registered resale covenant, ensuring public investment delivers lasting affordability, not a one-time benefit.

Resale prices will be indexed to the Core Consumer Price Index (CCPI), following the proven Whistler Housing Authority model. This approach allows homeowners to build modest equity while preventing speculative price escalation. Additional safeguards include market-downturn protection and limited recovery for approved capital improvements, balancing fairness for homeowners with long-term affordability.

***Together, these measures ensure homes remain accessible to middle-income families and seniors, supporting long-term community stability and generational homeownership.***

# HOW WE WILL ACHIEVE ATTAINABILITY

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**We are seeking at least \$3.2 million in grant funding from senior levels of government, which will directly reduce home prices for buyers. Our targeted resale prices are:**



▶ Three bedroom units: from \$650,000 to \$478,000 (16 units) – **\$172,000 reduction per home**

▶ Two bedroom units: from \$423,000 to \$311,000 (4 units) – **\$112,000 reduction per home**

Any cost savings from grants will be passed directly to purchasers, with long term affordability maintained through registered resale covenants.

Over a standard 35-year period, the public investment works out to approximately \$4,500 per home per year, **nearly half** the average BC rental subsidy (\$8,400/year).

With a 200-year building lifespan, the cost drops to about \$785 per home per year, creating a permanent, multigenerational affordability asset. All construction will use a fully transparent cost-plus model, with any savings below projected costs passed directly to buyers

***This approach leverages limited public funds to expand local housing supply, maintain fair, inflation-protected equity, and deliver lasting community benefit, ensuring homes remain attainable for generations of local working families.***

# DETERMINING AFFORDABILITY

To understand the housing challenge facing middle-income earners in the West Kootenays, we compared what households can realistically afford in mortgage payments using two benchmarks: latest regional median incomes (2024) and average rents for a two-bedroom home in Salmo, Nelson, Castlegar, Trail, and Blewett (excluding utilities).

***The results clearly show why many middle-income households are priced out of homeownership, and how this project helps close that gap and make ownership attainable.***

Benchmark	Regional Median Household Income	Current Renters
Annual Income	\$85,367 (2024 regional median)	\$90,800 (39% GDS)–\$110,628 (32% GDS)
Monthly Payment Capacity	\$1,785 (including utilities, property tax and insurance)	\$2,400 (Excluding utilities, property tax and insurance)
Max Mortgage **	\$340,000–\$365,000	\$385,000–\$455,000
Max Home Price (10% down payment)	\$374,000–\$401,500	\$423,500–\$500,500
Current Market Reality	Priced out	Priced out

\*\* Calculated with Gross Debt Service (GDS) ratio of 32% and 39% respectively

**Assumptions:** 32% and 39% Gross Debt Service (GDS) is the typical range lenders use to qualify borrowers, which measures the percentage of gross household income spent on housing costs, 4% interest rate, and 25-year amortization.

## The Critical Insight:

Many current renters paying \$2,400 monthly are likely earning above the regional median income yet remain locked out of homeownership because available homes are priced beyond their borrowing capacity, even though they demonstrate the ability to carry comparable monthly costs





## ELIGIBILITY REQUIREMENTS

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To ensure homes support the local workforce and promote long-term community stability, **purchasers must meet defined eligibility criteria.**

These criteria will draw on proven workforce housing models from Whistler, Canmore, and the upcoming Revelstoke attainable homeownership project, adapted to Salmo's rural context.

Eligibility guidelines will be developed in collaboration with the municipality, regional district, and local partners *to reflect the specific needs of Salmo and the surrounding region.*

### **Key considerations may include:**

- Income level appropriate for middle-income households
- Residency of six months or more in the West Kootenays
- Minimum age of 19, or qualified retirees
- Use of the home as a primary residence

For reference, similar programs can be found here:

- Whistler: [2025 Ownership Waitlist Guidelines](#)
- Revelstoke: [Revelstoke Housing Projects](#)
- Canmore: [Canmore Housing Programs](#)

# COMMUNITY IMPACT

The *Built for the Future Project* is designed to strengthen Salmo's community and local economy. By bringing an estimated 40–60 new residents within the serviced land boundary, the project supports local services, retail, and civic life while adhering to smart growth principles.



## *Our Project Will Support:*

*Local Revitalization*

*Regional Economic Activity*

*Community Stability Through  
Ownership*

Construction will prioritize local contractors and regionally sourced materials, keeping economic benefits within the Kootenays. Once complete, new homeowners will generate stable, year-round spending that sustains businesses and service providers.

# SUSTAINABILITY & RESILIENCE

Sustainability and resilience are central to every aspect of the  
*Built for the Future Project*

## **Low-Carbon Construction**

- Prioritization of low-carbon, durable, and locally sourced materials
- Carbon-conscious practices designed to meet or exceed climate adaptation policies

## **Energy Efficiency**

- Passive solar design maximizes natural heating and daylight to reduce energy use
- Potential geothermal loop system offers efficient heating and cooling
- High-performance envelope meets or exceeds BC Energy Step Code standards
- Energy-efficient systems and appliances lower long-term utility costs

## **Long-Term Resilience**

- Durable material choices extends building lifecycles, reducing premature replacement
- Low-impact infrastructure supports natural drainage and reduces stormwater runoff
- Climate-adaptive design anticipates for future temperature and weather changes
- Systems designed for maintainability and upgrades as technology evolves

# ALIGNMENT WITH REGIONAL AND MUNICIPAL PRIORITIES

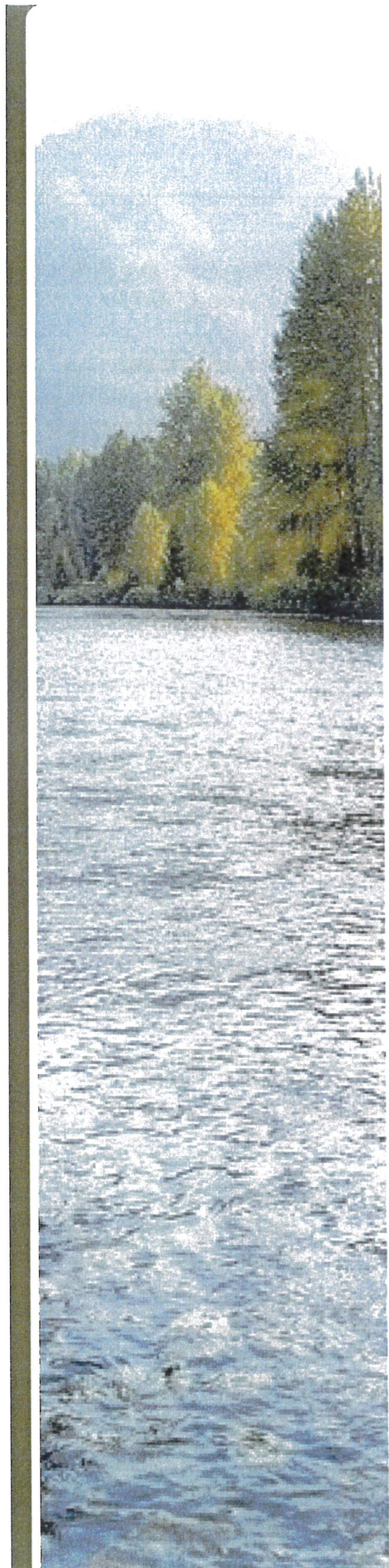
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**Village of Salmo** The *Built for the Future Project* advances Salmo's EcoDensity vision: compact, sustainable homes on serviced land that middle-income households can afford. Ground-level designs support all abilities, life stages, and aging-in-place, while development within the serviced boundary maximizes existing infrastructure. The project also opens opportunities for municipal partnership on planning and access to senior government grants.

**RDCK** The project addresses a critical regional gap by providing attainable ownership for middle-income and first-time buyers. It demonstrates private-sector leadership in climate-smart construction and delivers a replicable, covenant-based affordability model for rural communities. Salmo's central location helps sustain local and regional employment.

**Why This Matters** The RDCK's 2024 Housing Needs Report confirms that traditional government-led housing cannot scale in rural areas without private-sector involvement. It calls for innovative partnerships, permanent affordability through covenants, and a facilitator role for local governments.

*This project is that model in action:  
leveraging private enterprise to deliver  
permanently affordable, sustainable housing  
in the West Kootenays.*



# COMPARABLE PROGRAMS

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## **Whistler Housing Authority – Precedent Model**

Established: 1997

### **Scale and Impact**

- 1,191 employee-restricted ownership units
- 1,033 employee-restricted rental units
- Over 7,500 affordable bed units in total
- Approximately 84% of Whistler's workforce housed locally

### **Key Features**

- Permanently registered resale covenants on title
- Resale prices indexed to the Core Consumer Price Index (CCPI)
- Homes sold at approximately 50% below market value
- Employee-only occupancy requirements
- Centralized waitlist system with over 650 applicants and wait times ranging from 1 to 14 years

### **Recent Developments**

- Cheakamus Crossing Phase 2: 550 new rental units
- Granite Ridge (1330 Cloudburst Drive)
- Since 2019: 745 new affordable bed units delivered

## **Revelstoke Workforce Attainable For-Purchase Housing Program**

Status: In development, launched 2025

### **First Development**

- Location: 127 and 141 Basford Drive
- Units: 60–80 affordable for-purchase homes
- Timeline: Construction planned for 2026

### **Key Features**

- Directly modeled on Whistler Housing Authority with local adaptations
- Permanently price-restricted for purchase and resale
- Eligibility based on current local employment or intention to retire in Revelstoke
- Incorporates elements from the Canmore, Alberta model
- Full eligibility criteria to be released in 2026
- Local leadership, including Mayor Gary Sulz

**Canmore Community Housing (CCH) – Vital Homes Program**  
Established: 2000

**Scale**

- 197 employee-restricted ownership units
- 108 employee-restricted rental units
- 305 total affordable units

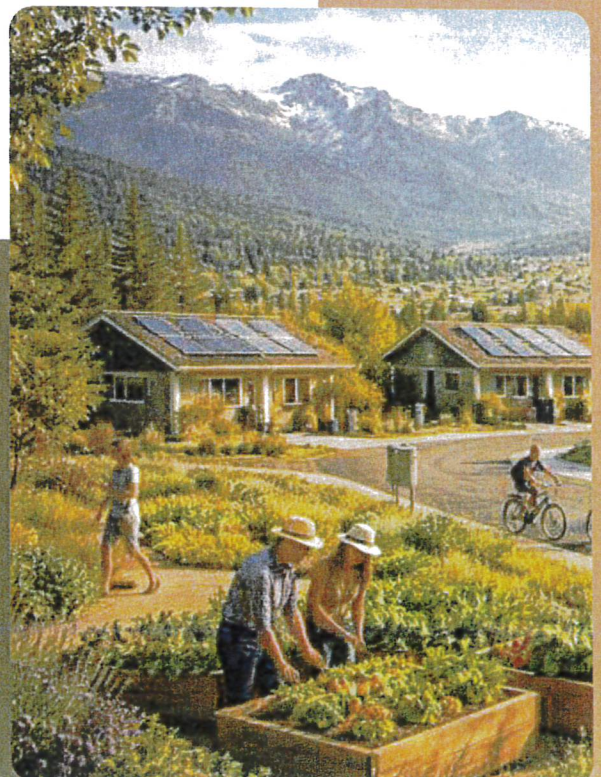
**Key Features**

- Resale prices indexed to inflation, permanently restricted
- Homes sold below market value to eligible residents
- Employee-only occupancy requirements (must live and work in Canmore)
- Rental units at least 10% below market rates
- Covenants registered on title permanently
- Funded via municipal tax levy (Vital Homes mill rate)

**Recent Developments**

- Ptarmigan Pointe (205 Stewart Creek Rise): 18 ownership townhomes, fully sold, occupancy 2025
- 100 Palliser Trail: 144 new rental units, completion spring 2027
- Moustache Lands (Site 7): 250–350 additional units planned

CCH is a non-profit wholly owned by the Town of Canmore and operated independently.



# CONCLUSION

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The **Built for the Future Project** represents a bold and practical solution to the urgent housing and affordability challenges facing Salmo and the wider Kootenays. By combining permanent affordability through resale covenants, energy-efficient and low-carbon construction, and thoughtfully designed homes for families, seniors, and local workers, the project delivers lasting social, economic, and environmental benefits.

This initiative not only addresses a critical gap in the regional housing supply but also strengthens community stability, supports local businesses, and fosters intergenerational and inclusive neighborhoods. Modeled on successful programs in Whistler, upcoming Revlestone and Canmore, it provides a scalable framework for rural housing that balances public investment, homeowner equity, and long-term sustainability.

With municipal, regional, and non-profit partnerships, the **Built for the Future Project** sets a new standard for attainable, resilient, and community-centered housing, creating a legacy of secure homeownership and vibrant local life for generations to come.



# REFERENCES

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## **Referenced Sources:**

"Household Median Income." Economic Development Board of Canada, 2025, [app.ecdev.org/embed/chart-gen2-household-median-income?location=ca-er-5940&clientSubdomain=tibc&viewFormat=0](https://app.ecdev.org/embed/chart-gen2-household-median-income?location=ca-er-5940&clientSubdomain=tibc&viewFormat=0).

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Regional District of Central Kootenay. Salmo: Village of Salmo Housing Needs Report Update. M'akola Development Services and Turner Drake & Partners, Dec. 2024, [salmo.ca/wp-content/uploads/2024/12/RDCK-HNR-Village-Profile-Salmo-December-2024.pdf](https://salmo.ca/wp-content/uploads/2024/12/RDCK-HNR-Village-Profile-Salmo-December-2024.pdf).

Village of Salmo. Sustainable Salmo Official Community Plan Bylaw No. 687, 2020. 14 Jan. 2020, [salmo.ca/wp-content/uploads/2023/03/OCP-Sustainable-Salmo-2020-Final-1.pdf](https://salmo.ca/wp-content/uploads/2023/03/OCP-Sustainable-Salmo-2020-Final-1.pdf).

## **Unreferenced Sources:**

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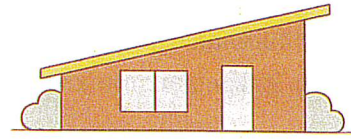
# Built for the Future: Salmo Project

## Response to Questions from the Village of Salmo

Prepared by: Lhasa Developments Ltd.

Date: May 15, 2026

Submitted to: Derek Kwiatkowski, CAO & Jessica Ellis, Village of Salmo



The following document provides detailed responses to each of the six questions raised in Derek Kwiatkowski's email. We have done our best to be transparent about where things stand today, knowing that many details will continue to develop as partnerships and funding are confirmed. We are presenting this with the objective of opening an early dialogue with Council, not to present a finished plan, but to make sure we are working in partnership with the municipality towards building the right outcome for the Village. Our goal is to work collaboratively with the Village to maximize efficiency, while minimizing the amount of resources and administrative involvement the Village would need to contribute to a project like ours. Our ultimate goal is to provide attainable and climate-responsible housing to the region.

### 1. Zoning & Policy Alignment

**Derek's Question:**

The zoning of the land. The parcel does not allow this development currently. A zoning change would need to be approved and completed prior to asking for support. Council is not allowed to commit to a zoning change without proper public consultation. The Village is proceeding with a new Official Community Plan and Zoning Bylaw that can make this transition easier; however, you would need to request this change to the designation directly. You must be precise in your request, so I would suggest reading the current bylaws and proposed OCP on our website to determine how your property may need to change.

Our intent is not to significantly increase the overall density of the site, but rather to explore whether the same number of homes can be delivered through simplified housing design and bare land strata<sup>1</sup> subdivision structure.

Through discussions with RDCK planning professionals and review of neighbouring municipalities, we have identified relevant precedent within Zoning Bylaws. For example, Nelson's Zoning Bylaw includes provisions allowing reduced lot sizes within a bare land strata, provided that the total number of lots does not exceed what zoning would otherwise permit. This maintains overall density expectations while allowing for more efficient land use and more forms of ground-oriented homeownership (e.g., single detached homes, townhouses, etc.).

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<sup>1</sup> In a bare-land strata, homeowners own both their home and the land it sits on, while sharing responsibility for common elements such as internal roads, outdoor spaces, and community infrastructure through a strata corporation. Owners maintain full responsibility for their homes, while benefiting from shared infrastructure, coordinated management, and lower long-term costs.

To better understand the specific mechanism behind this, we followed up directly with Ken Bourdeau, RPP, MCIP, Senior Planner with the City of Nelson. He confirmed that Nelson's ability to permit bare land strata lots smaller than the R-1 zone minimum flows from a specific clause in their Zoning Bylaw that grants the Approving Officer that authority. It goes as follows:

#### **“Lot Area & Width Exemptions**

*8. Despite the provisions of this bylaw, the Approving Officer may approve:*

*a. A subdivision of lots in the R1 zone with a lot area reduced to 80% of the lot area otherwise required, provided that the number of lots created is not greater than the number of lots that could have been created in compliance with the zone's minimum lot area and lot width.*

*b. A subdivision of lots in the R1 zone with a lot width reduced to 80% of the lot width otherwise required, provided that the number of lots created is not greater than the number of lots that could have been created in compliance with the zone's minimum lot area and lot width. City of Nelson Zoning Bylaw No. 3652, 2026*

*c. A bare land subdivision of lots with a lot area smaller than required provided that the number of lots created is not greater than the number of lots that could have been created in compliance with the zone's minimum lot area and lot width.*

*d. A reduction of the minimum lot area for a subdivision where it is not possible to create a lot that has the minimum lot area required for the zone and where the proposed subdivision involves any of the following:*

- i. subdivision that does not create, or make it possible to create, more lots than the number of lots that existed at the time of application;*
- ii. a lot that is divided by a street and where the boundaries of the street will be the boundaries of the proposed lots;*
- iii. a lot on which two or more small-scale residential buildings existed prior to February 3, 2014; or*
- iv. a lot divided by a zone boundary, provided that all requirements of Provincial legislation and Subdivision and Development Servicing Bylaw No. 3170, 2011 are met.*

*9. There shall be no minimum lot area or lot width for lots dedicated for trails, public parks, playgrounds, community gardens, and unattended public utility buildings or structures.”*

*(Source: <https://nelson.civicweb.net/filepro/documents/488/?preview=31803>, Part 6, Item 8 of Nelson's Zoning Bylaw, starting on page 43.)*

Without similar language in Salmo's Zoning Bylaw, an Approving Officer would not have the same flexibility, even where the overall number of homes on the site stays within what the zone already

allows. This is not a change to allowed density, it is simply the tool that makes the layout work.

We reviewed Salmo's current Zoning Bylaw and have confirmed that it does not contain equivalent language. With the Village already undertaking updates to its Official Community Plan and Zoning Bylaw, would staff and Council consider whether there is value in inserting similar provisions? This type of language would enable attainable homeownership projects to proceed without requiring a major restructuring of the current zoning framework. If a more formal request to amend the Bylaw Zoning text is required, please let us know.

We would also be open to exploring a site-specific rezoning or tailored development approach if the Village determines that to be a more appropriate path forward.

## 2. Servicing

**Derek's Question:**

The servicing of the land. When we last spoke, it was noted in Village Bylaws that the developer would be responsible for getting water and sewer access to the property. What are your plans to accomplish this? Is part of the \$3.2M to bring the servicing to the land? Is this a separate request of the Village?

Yes, we have worked with a civil engineer to develop and price a preliminary servicing design, including lift station/sewer extension, watermain extension, street lighting, and fire hydrant installation. These infrastructure costs have been incorporated into our overall development budget, including the extension of services from Glendale Ave.

We understand that the responsibility for servicing the property rests with the developer, and we are not expecting the Village to financially contribute to this infrastructure.

That said, we may request support letters from the Village to assist our non-profit partners to access available grant opportunities related to infrastructure, energy efficiency, accessibility, and/or attainable housing initiatives. We may request the Village to become a municipality's partner as a means to access funding such as the Green Municipal Funds, a stream that could ultimately provide a large pool of funds for this project. Any funding secured through those programs would be used to reduce the final purchase price of the homes for future residents.

## 3. Strata Operations and Ownership Costs

**Derek's Question:**

Strata-operations. Ownership costs are an important consideration when talking about attainable housing. How are the strata fees determined? What will they include? How will the strata corporation be constructed? What are the projected monthly strata or HOA fees? How much of a savings for this type of development vs. fee simple?

Each home and its corresponding lot is individually owned, but similar to a condominium strata, the strata corporation exists to manage shared infrastructure. On the question of savings, we have factored strata fees of \$200 to \$250 per month into our attainable homeownership monthly cost

calculation. This level of fee is substantially lower than typical multi-family strata in the Kootenays, which commonly run between \$400 to \$700 or more, but should be enough to cover the anticipated costs. Monthly fees cover shared groundskeeping, potential electric vehicle charging location, potential shared geothermal loop infrastructure, road maintenance, basic upkeep (snow removal, waste removal, and landscaping), strata corporation insurance, a capital cost contingency reserve, as well as other operational costs. Additionally a portion of the strata fees will be allocated to oversee covenant administration and strata corporation management.

A legal clause included in the Bare Land Strata Agreement will ensure that each homeowner carries their own bare land strata specific insurance to cover major repairs to their home. The strata corporation carries property and liability insurance for shared elements, as required under the BC Strata Property Act.

The strata corporation will be established with a BC Land Surveyor and a bare land strata lawyer, following the process set out under the Strata Property Act and Bare Land Strata Regulations. That includes plan drafting, approval by the municipal approving officer, registration at the Land Title Office, and bylaws specific to bare land strata structure.

#### 4. Development Model

**Derek's Question:**

The regional housing model that is being implemented is very different from what you are proposing. Normally, the entire property development is undertaken by a developer, then the property management is handled through a non-profit organization once construction is complete. This is done as a rental model; this does not involve any sale of the units. Is Lhasa going to register as a non-profit society or how will your system balance private profits vs. publicly funded housing?

We are not registering as a non-profit. We looked into it, and the honest answer is that building a new non-profit from the ground up requires significant capacity, time, and funding to become a recognized entity that can unlock government programs. The region already has non-profits with the experience, board governance, community trust, and connections that take years to build. It makes more sense to work with them than to replicate what they have already built.

Lhasa Developments Ltd. operates as a mission-driven for-profit private developer on a fully transparent, cost-plus basis. Similar to non-profit organizations, any return to the developer will serve to cover salaries, materials, consultant fees, and applicable repayment of the land costs. A defined "profit margin" (previously disclosed and agreed upon with our non-profit partners) will not be taken as corporate profit but rather set aside to seed the next project. Unlike typical developers, there is no investor extraction and no speculative return. Our goal is to create a replicable model for the Kootenays that would help stabilize the housing market. Salmo is our premier project.

We are currently in conversation with several non-profits in the region. Depending on their capacity and interest, a partner could be involved in one or more of the following ways:

- Assistance in applying for grants as lead or co-applicant, and manage funds, progress

monitoring, and reporting alongside us

- Take on long-term covenant administration once the project is complete, a role that is self-sustaining through strata fees and a waitlist subscription model, and requires only a few hours per month
- Provide in-kind fiscal sponsorship or cause-related sponsorship, promoting our shared work under the umbrella of housing solutions
- Write a letter of support

It is also possible that different partners play different and/or multiple roles across these areas.

We want to be clear that our wish to build attainable homes is not intended to replace the rental-based non-profit model. What we are addressing is a different gap: people who earn too much for subsidized housing but cannot afford today's market prices. These two models are meant to run alongside each other.

## 5. Grant Funding

**Derek's Question:**

Grant Funding. Can you provide specific grants that would equate to the \$3.2M and how your project fits within those particular grant scopes?

Without grant funding, this project cannot deliver homes at attainable prices. That is the straightforward reality of building in today's cost environment. The funding stack is still being built. What follows reflects where things stand today, and we expect this to grow as partnerships are confirmed and new programs open:

### 1. Green Municipal Fund (FCM) — up to \$10M – Grant and Low-Cost Loans

Requires municipal partnership with a for-profit or non-profit entity. Our project fits under the Net-Zero Transformation stream.

- Net-Zero Transformation (Capital): up to 80% of project costs covered, up to \$10M (mix of grants and loans)
- Net-Zero Transformation (Planning): up to 50% of eligible costs, maximum \$200,000

### 2. Build Canada Homes (Federal) — amount TBD – Grants and Low-Cost Loans

\$170M in federal funding committed in BC. Comparable streams have indicated up to \$225,000 per unit for non-profit partnerships. We are currently building a joint application partnership with other organizations, as the program prioritizes single applications covering multiple projects.

### 3. Enabling Accessibility Fund (Federal) — up to \$3M – Grant

Capital contributions for projects with a strong accessibility focus. Our homes are designed with universal design built in from the start: barrier-free entries, wider doorways, roll-in showers, and aging-in-place layouts.

### 4. Columbia Basin Trust — amount TBD – Grant

Dependent on our partnership with Habitat for Humanity SE BC, the sole designated receiver of CBT funds for attainable homeownership projects in this region. Conversations

with Habitat are active and ongoing.

**5. FortisBC Climate Action Partners — up to \$500K+ – Grant**

Covers feasibility, planning, and construction activities. Our clean energy systems make us eligible across multiple categories within this program.

**6. Peter Gilgan Foundation — \$50,000 to \$150,000 – Grant**

Grants for projects meeting green building and climate performance standards. Our geothermal loop heat pump system, high-performance envelope, and low-carbon material choices are a strong fit.

**7. RDCK Community Development Grant — amount TBD**

Supports initiatives that advance the social, economic, and environmental well-being of regional residents. A natural fit given the project's location and long-term community benefit.

**8. BC Builds – Grant and Low-Cost Loans (rental project)**

BC Builds currently provides funding exclusively for rental housing projects. However, they can support mixed tenure developments that include both ownership and rental units, with funding allocated specifically to the rental portion of the project. BC Builds has also announced the upcoming launch of a Homeownership Program, for which further details are still pending.

The combined funding stack from these programs is designed to reach or exceed the \$3.2 million needed. We are also monitoring several federal housing programs expected to reopen in the coming months, including the possibility of BC Builds opening an attainable homeownership funding stream. Most of these applications require a confirmed non-profit partner and/or shovel ready status. That is our current highest priority. We are in active conversation with Habitat for Humanity SE BC, Kootenay Workforce Housing Society, and Salmo Valley Estate. More recently, we have been approached by both Salmo Community Resource Society, who has shared a high interest in collaborating on our project, and the Canadian Mental Health Association's affordable housing branch for covenant administration. Our project allows us to explore various funding avenues, including accessibility, senior, affordable housing, and environmental funding streams.

**6. Cost Overruns and Risk Management**

**Derek's Question:**

Cost Overruns. If the grant applications don't award the \$3.2M, how does the developer plan to deal with these cost overruns, while maintaining the reduced housing prices? Who is expected to bear this risk?

The Village bears no financial risk in this project.

We are structured to avoid carrying grant risk into construction. We can confirm that unlike speculative land developers, no horizontal or vertical construction will happen on the site without the assured grant funding required to deliver homes at the targeted attainable prices being confirmed. If the full grant stack budget isn't secured we will not proceed. These homes can only be

sold below market value if grant funding is applied to the overall cost of the project. Without grants, even if Lhasa delivers the project in the most cost effective way possible, the homes would still need to be sold at or above market price, which would defeat the purpose of the project. We would not break ground on a project that we cannot sell within the “attainability threshold” we have committed to.

That said, we are not relying on a single source to reach that number. The funding stack is deliberately built across multiple programs, at different levels of government, and across both grant and low-cost loan streams. If one program does not come through, others may still cover the gap. As previously mentioned, we are also pursuing joint application partnerships for federal programs specifically to improve our odds and access to larger amounts.

If the gap between confirmed funding and the \$3.2 million target is meaningful but not insurmountable, we could try pivot to a slightly less expensive model. For example, among other options, Lhasa Developments Ltd could adjust the unit mix, diversify the build to match confirmed funding (e.g. some rental units (BC Builds), some owned, some multi units). What we would not do is pass that shortfall on to buyers through higher prices.

### **Important Request**

To access some of the funding streams listed above, our project needs to be considered shovel ready. However, to be shovel ready, we need to have permits and approvals in place. We understand that the Village of Salmo may not want to issue final approvals without certainty that the project will move forward. This presents a challenge as our project is dependent on funding being secured in order to break ground, but we can’t access funding without approvals.

Once our project is deemed to meet all Village requirements and Bylaw restrictions, would the Village consider providing conditional or preliminary permits and approvals to allow us to achieve shovel ready status? Final approvals would be issued once funding is confirmed and the project is ready to break ground.

## **Request Summary for the Village of Salmo**

To continue advancing the Built for the Future project, we are seeking guidance, collaboration, and consideration from Village staff and Council in the following areas:

### **Zoning & Policy Support**

- Provide guidance on the most appropriate planning pathway for the project:
  - Zoning Bylaw text amendment (i.e., City of Nelson bare land strata language)
  - Site-specific rezoning and alternative tailored development approach
- Advise on the formal process, requirements, and timeline for submitting a formal request (if necessary) for the Village’s OCP and Zoning Bylaw update process.

## **Shovel Ready / Approval Considerations**

- Consider whether the Village would be open to issuing conditional or preliminary approvals/permits once zoning and technical requirements are satisfied

## **Municipal Partnership Support for Funding Applications**

- Consider providing municipal support letters for applicable funding applications.
- Consider participating in eligible funding programs such as the Green Municipal Fund and similar initiatives.

We look forward to working with the Village of Salmo to build attainable homes for the community.