

# Empowering Small Minnesota Communities: Finland Home Solutions Partnership

## University of Minnesota–Finland Home Solutions/Crystal Bay Township Scope of Work Agreement

### CONTACT INFORMATION

#### Project Lead(s):

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#### ESMC Contact:

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Regional Sustainable Development Partnership (RSDP), UMD

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**Shared file access:** (LINK TBD - Tracy Chaplin, RSDP to share folder)

### PARTNERSHIP INFORMATION

**Background:** *Provide the context for the effort, including the specific problem or opportunity to be addressed and why it is being addressed now.*

The goal of this effort is to advance community goals towards more/all full-time residents of Crystal Bay Township/Finland (2020 population approx. 423) to be able to purchase or rent livable homes at reasonable prices, based on the economic realities of living in a small, very geographically remote area. The focus on housing results from community meetings and a facilitator-led design process the community held prior to the start of the ESMC project, roughly June 2023-June 2024.

This need for housing unfolds in the context of increasing demand for property and development in the area related to rising seasonal visitors, short term rentals for tourism, as well as northward

migration related to climate change and enabled by more remote work options. Septic system requirements for housing units in relation to property parcels have proven to be an ongoing challenge and burden for providing adequate housing for long term residents in the Finland area. In some instances, existing potential living units are not allowable because they exceed the maximum allowable septic system capacity. In other instances, new housing infill (in the form of ADUs or other renovations or small scale additions) is impossible or constrained by these same requirements.

The ESMC partnership will bring specialized research about these issues to the community, in conjunction with strengthening efforts to collaborate between key partners of the community at the township, county, state and other regulatory levels. The big aim is to develop understanding and implementation strategies for innovative shorter and longer term solutions to this challenge.

As the outcome of their previous process, FHS imagines creating a community land trust (CLT) as a vehicle for keeping homes affordable and attainable for long term residents. FHS would like to work with their county government to develop innovative legal solutions to allow for more legal housing units per parcel (possibly Accessory Dwelling Units in certain instances), which has the potential to help elderly or disabled folks live independently with others nearby, keeping folks in the community.

Four groups of residents are of particular interest to the community:

1. 18-24 year olds leaving their parent's home for the first time
2. Elderly residents who wish to age in place or need to move to smaller, lower maintenance homes
3. Low income residents of all ages, many of whom are in transitional or unstable housing
4. Young families with children who cannot find housing in Finland or afford current market value homes

Finland is not interested in increasing tourism or growing their population via short-term rental units. They already have Airbnb activity in their area, and this is not the kind of further development they desire. Their overall goal is to maintain their independent rural character and provide more diverse housing opportunities for different kinds of full-time residents. This specific community desire frames the types of assets and challenges addressed in the scope of work.

**ESMC Effort Description:** *Provide a detailed description of the assistance ESMC will provide.*

The primary ESMC involvement will be to coordinate and undertake several strands of specialized research to include the following areas identified by the Finland Home Solutions steering committee:

1. **GIS inventory and data set of existing housing assets and current ownership:** This research area involves characterizing the housing in Crystal Bay Township using all available information from sources such as Lake County, SWCD, DNR, Planning &

Zoning, etc.. From this information, a data set (with maps) should be produced that identifies available buildable land, tax forfeited land, potential building sites, housing that could be renovated/rehabilitated, septic systems, wells (or lack thereof), and other details. As and when possible, this land should be associated with current ownership structures to differentiate public, private, and non-profit ownership. Further details, like the age and condition of current housing, should be characterized and mapped as and when possible, and with sensitivity to any privacy concerns.

2. **Community Land Trust (CLT) options available in the region:** This research would characterize relevant existing CLT operating in MN, including what they offer / what they do not offer. Key information for the characterization includes type of housing possible (single family, rehab, new build, etc), capacity to work with septic and well systems (Finland has no municipal water or sewer systems), detailed explanation of how each CLT process works with local buyers, developers, township government, and other partners or stakeholders. An August 2024 presentation from One Roof Housing, a CLT based in Duluth, to FHS confirms that the lack of a centralized water & wastewater system is likely to be a hurdle in moving CLTs from an urban to a rural environment. The research will result in a report or other outcome that will include a summary comparison of these options to inform decision making.
3. **Alternative / creative solutions:** Explorations into the implementation of including innovative ADUs + cohousing might represent part of the housing solution, particularly for the youngest and oldest groups of residents, on church or non-profit land. This may be based on the 2023 MN State Rules for sacred settlements, Chapter 53, Article 11, Section 57.
4. **Septic System expansions - Implementation research and strategy:** A final focus is on the possibility of funding for septic system expansions to accommodate additional sleeping spaces, including ADUs, to meet the requirements of local zoning rules relative to per-person water use in residential properties. If expansion of existing septic systems could be supported, housing solutions could be made available within months instead of years. The community would like to explore what funding mechanisms such as Lake County HRA, etc., might be accessible to private homeowners who already have living space available to offer, but lack the septic capacity to meet the zoning code,

In addition, this ESMC effort will organize two in person workshops to identify the specific needs and assets of the community with regards to these issues outlined above, as well as the specific regulatory challenges and opportunities. Ideally this will include key partners at the township and county level, along with septic / wastewater experts. Workshop 1: Septic Systems will focus on issues related to septic systems, regulations and other water infrastructure. Building on findings from Workshop 1 and other research, Workshop 2:Community Land Trust Models and Implementation will focus on community land trust options for the Finland area.

A planned gathering by FHS in January 2025 will share with the broader community the findings of FHS monthly sessions to date, updates on efforts underway, and plans for moving forward into the second half of the ESMC partnership.

**Final Deliverables/Work Products:** *Provide as much detail as possible about expected content.*

Based on the research areas and activities outlined above, the following deliverables will be developed, informed by the needs of FHS and the Finland community:

- GIS (Geographic Information System) / dataset related to current property conditions in the Finland/Crystal Bay Township area
- Menu/catalog of shorter and longer term options (distilled and interpreted from above specialized research) to support homes for year round residents (from younger to older)
- Support for better coordination between community, township and county related to housing and septic systems
- Implementation strategy to carry next steps forward and pursue technical assistance and potential sources of funding

**Project Implementation:** *How do you anticipate that deliverables, findings, and recommendations will be used to pursue funding opportunities for the work this project relates to?*

The deliverables above will comprise a set of resources from which the community partner will be able to

(1) visualize and represent **current housing assets and needs** (especially as related to septic/wastewater infrastructure); (2) **make better informed decisions** about working with an existing Community Land Trust or structuring their own, with regards to the specific septic-related barriers and opportunities identified in the research above; and (3) **identify funding opportunities and available resources** to expand available housing units and septic systems on privately owned parcels (eg, improvements for aging in place such as MN Age Friendly funding), as well as identify funding opportunities to support a CLT for housing.

**Project Timeline:** *The purpose is to identify dates when the project lead would need to be available, either on campus or in the partner community, to interact with the ESMC team. Add or remove items from this list as needed; where possible, include specific date, time, and location.*

Late summer / Fall 2024:

- Mid-month Finland Home Solutions gatherings to learn from invited speakers about key topics (ongoing, previous to ESMC start), June - December 2024
- UMN Team begins research efforts
- UMN Team develops workshop plans (dates and details TBD with FHS)

January 8, 2025:

- Community gathering to share learning to date; gather and gauge community input for next steps

February 2025:

- Workshop 1: Focus on septic requirements/regulatory possibilities

April or May 2025:

- Workshop 2: Focus on community land trust for homes in the Finland area

Spring Summer 2025:

- UMN Team research wraps up
- In collaboration with Steering Committee, research findings will be interpreted for accessible community resources and implementation plans

Summer/Fall 2025:

- Connect with next steps, specific funding possibilities

## **BUDGET**

The research activities outlined above will be supported by the ESMC Community Futures grant, including staff time, materials and research services. This includes compensation/travel for UMN team members to travel to Finland for periodic in person meetings (in addition to regular hybrid/remote meetings held via Zoom).

In addition, the budget will support bringing key partners together for two in person workshops (winter, spring 2025), to be held in Finland. Details for timing, planning and support for accommodation, travel and food to be determined by UMN team with FHS.

The budget includes community participation funds of \$5,000, paid directly to the community, to support compensation for time and engagement of two steering group members, as well as stipends and meals for monthly public meetings. Additional funds might be available for learning field trips to neighboring communities with community land trust housing or other successful examples.

## **PARTICIPANT RESPONSIBILITIES**

**Project Lead(s) & Community Partner(s) both agree to:**

- Maintain regular communication as needed throughout the project to ensure a collaborative working relationship.
- Provide in a timely fashion any data, reports, or other documents that are relevant to the project and scope of work.
- Respond in a timely manner (ideally within 2 business days) to project-related inquiries.
- Help to facilitate field trips and site visits in the community, as needed.

- Participate in regular project check-in meetings.
- Engage external community partners and stakeholders as needed to support project development and completion.
- Schedule and coordinate final presentation to community (if applicable).

**Approved by:**

- Community Lead, Department, Agency
- UMN Team Lead, Title, Department, University of Minnesota
  - Ursula Lang, Research and Design Fellow, Minnesota Design Center, UMN
- ESMC Partner(s)