

**Town of Crystal Bay
P.O. Box A
Finland, MN 55603**

**FINLAND HOME SOLUTIONS COMMUNITY GATHERING MEETING
MINUTES**

**Saturday, February 22, 2025, 3:00-5:30 pm
Clair Nelson Center, Finland MN**

- 1. Welcome 3:05pm - Rachel Clark, FHS Outreach Coordinator**
- 2. Introductions - all**
 - a. Present: Stacy Breden, Rachel Fleming, Colby Abasz, Annie Trotta, Kaare Melby, David Abasz, Rachel Clark, John Bathke, Lise Abasz, Julie Meyers, Kelly Ulrich, Honor Schauland, Steven George, BJ Kohlstedt, John Kohlstedt, Sarah Mayer, Jenna Pollard, Kathy Kippley
- 3. Framing and overview of event - Rachel Clark**
 - a. Many people have stewarded this group. We have learned a lot about the community's housing needs and potential actions we can take. Purpose of the event is to present what the group has done so far and what we're seeing as the potential action pathways going forward and get community input on where we go next. Community effort will be needed to carry the work into the next stage.
- 4. Housing Stories Activity - Tracy Chaplin, UMN Extension**
 - a. Talk with a partner about a housing need you know of in the community, and what would meet that need. Full group share out. Stories revealed challenges around finding secure rentals and the affordability of homeownership.
- 5. Opportunities and Challenges, what we've learned so far - Rachel Fleming, FHS Partnerships and Grants Coordinator**
 - a. Highlights from past guest speakers:
 - b. **Lake County HRA, Matt Johnson:** their purpose is to create more housing in Lake County. When we spoke a year ago they were still getting up and running. There is a lot of potential to work together on projects. They are working on creating a rotating community fund to support housing projects in the County.
 - c. **Lake County Planning & Zoning, Christine McCarthy:** we spoke extensively around septic systems and regulations. If we want or need to change zoning or septic regulations, we need good communications between residents, township, and the county.
 - d. **Habitat for Humanity, Darren Schmitt:** they build affordable homes with volunteer labor. Unlikely to be a good fit for our community due to our remote location and low population.
 - e. **Lake County Land Commissioner, Nate Eide:** we spoke about tax-forfeited land parcels and the potential for using those parcels for housing. Most tax-forfeited structures are in significant disrepair, and the timeframe for acquiring parcels is long (over 3 years), but it is a possibility.

- f. **One Roof Community Housing, Brook Tapp:** community land trust is a model for keeping homeownership permanently affordable and under community control. The CLT owns the land and the homeowner owns the home, thus allowing for the sale of the home below standard market rate. Currently Finland is not eligible to join One Roof's CLT because our community lacks municipal water services - One Roof's CLT does not take on homes with well and septics.
 - g. **Arrowhead Area Agency on Aging, Georgia Lane:** The need for age-friendly housing is a significant and rapidly growing need with a large aging population in many rural communities. In CBT, about half of residents are over age 65. There is growing awareness that affordability, access to community services, and support for maintenance and universal design are part of age-friendly communities and homes. There are specific resources available to support communities in creating more age-friendly housing options, including funding opportunities.
6. **Emerging Action Pathways - Ursula Lang, Empowering Small Minnesota Communities**
- a. There are 5 potential action pathways that the steering committee has identified for focused areas we could work on to make progress towards meeting our community's housing needs.
 - b. **Land Use Planning Pathways** - identify parcels of land in our community that could be good sites for homes, including sites that could be repurposed. Potential actions: work with the county to acquire tax-forfeited land parcels and change zoning on specific parcels or seek variances.
 - c. **Septic/Well Infrastructure & Housing** - septic and well regulations are important for clean water and a common barrier to meeting housing needs in the Finland area. Potential ways to address the issue: work with the county to change overly restrictive septic regulations, explore creative alternatives to septics such as composting toilets and gray water management systems.
 - d. **Expanding Existing Housing Capacity** - this includes maintenance and upkeep of existing homes, as well as expanding the number of people that are legally able to live there. Potential examples: accessing funds for infrastructure renovations, working with the county to allow zoning variances for a duplex, expanding septic capacity to allow someone to live in an ADU.
 - e. **Community Land Trust** - a way to keep homeownership permanently affordable and under community control. The CLT owns the land and the homeowner owns the home, allowing the home to be bought and sold below market rate. CLTs can also require that the home be owner-occupied.
 - f. **Very Finland Home Solutions** - Designing multi-family housing that is unique to the needs, character, and desires of the Finland community. One potential example could be: small age-friendly homes with some shared resources designed specifically for elders.
7. **Small Group Discussions around emerging action pathways - Tracy Chaplin**
- a. Split into small groups to discuss the 5 action pathways with table hosts to facilitate conversation at each table. 2 rotations of 30 minutes each. Notes from each table conversation:

b. **Land Use Planning Pathways:** Parcel ownership and zoning ordinances determine a lot about the ways the Finland Area is currently configured, and how it might (or might not) develop in the future. The Crystal Bay Township Comprehensive Community Plan has identified clear directions for where to locate future development across the Township.

i. Q1: Looking at our maps of the Finland area, where would you imagine opportunities for new homes to be built in our community? Would you imagine certain types of housing in specific areas? What would you like to see and where?

ii. Q2: What are the questions we need to get answered related to land zoning and building rules to be able to move Finland towards our community vision?

iii. Q3: How easy should it be and what safeguards and priorities should be put in place for higher density housing in Finland?

Overall, discussion focused on where would be good locations to put in new housing and the need for changing zoning restrictions.

iv. Potential locations for new housing:

1. There was a discussion of the Air Base property and the asbestos. There may be a possibility to rehabilitate the homes. Discussion of 8 homes available to be refurbished. Maybe the renter pays in-kind service for rehabilitation? All water flows downhill from the site. Unknown: is the property designated as a SuperFund site? If so, does that make it eligible for rehabilitation funding?

2. Old trailer park site near Murphy City that has fallen into disrepair, but could potentially be rehabilitated for new affordable or modular housing units. There also may be some single-family homes in Murphy City that could be rehabilitated. Although Murphy City is out of Crystal Bay Township.

3. Lake County garage - new construction and possibility to piggyback a few housing units onto that project that would share septic. Christine McCarthy suggested the idea of installing a septic or sewer system that had large enough capacity for additional housing development in the area. Since the idea came from someone who works for the county, hopefully there would be support for the idea.

4. Could there be a possibility to rehab the trailer park on Roses Rd?

5. Questions to consider as we look for areas to put in new housing: capacity to hook up electricity? Existing well/septic or room to install new?

ii. Zoning discussion:

1. Example of need and opportunity to expand housing capacity limited by zoning restrictions: community member at table currently lives off grid and has kids about to go to school soon. Has access to enough money to build a duplex, has a property

where it could happen, but the county won't allow it. The property is 1.89 acres but zoned in a way that it needs to be 2 acres to allow a duplex. This example could be resolved through a zoning variance.

2. Potential ally in changing zoning restrictions: John Bathke, Lake County Planning Commission, present at meeting. He stated that in the above example, it should be possible to get a zoning variance. The Lake County Planning Commission should be able to pressure the Zoning Director to allow for a zoning variance and build a duplex on that property. John Bathke also has ideas for how the Air Base property could work. He is willing to come speak with FHS about his ideas and collaboration.
3. Process for working with zoning: 1. Find land. 2. Know ordinances. 3. Get planning & zoning on board. 4. Get a design/model.

c. **Septic/Well Infrastructure & Housing:** Septic system requirements are a barrier to expanding access to housing in the Finland area in a number of ways. Through Lake Co. and other potential sources, FHS has identified some short term pathways such as accessing funds to pay for required inspections and improvements to existing systems, to bring those into compliance. Longer term pathways include: working towards policy change to more easily allow for ADUs or other expansion of housing units on a given parcel, or continuing to consider community scale septic systems for future development. There are funding options available to support septic work: potential rotating loan fund, IRRRB matching funds, MPCA funds.

- i. Q1: Are there currently existing housing situations you are aware of in our community where the septic system and/or well availability could be addressed, changed, or updated to create more housing? What would be needed to make those changes?
 1. Permitting gray water systems. Diverts so much from septic systems
 2. Community Outreach regarding land use permits
 3. Can we talk to University students to find cost effective, ecological solutions?
 - a. RSDP could help with that / ESMC can help > use the reverse engineering idea to do that
 - b. MPCA, Lake MDC, Lake Co, student researchers, a company using these systems, try maybe 5 systems side-by-side...
 - c. Seek University support for a new septic/gray water solution experiment
- ii. Q2: When we think about septic and well infrastructure as both barriers and important to maintaining clean water, what are our values and priorities as a community in shaping shorter and longer term decision making in regards to housing?

1. Do we want a community solution for Riverside, knowing it won't likely be inhabitable without it in 20 years(?)
2. Septics do age out. You have to remove the septic and 3' of soil underneath, bring in new soil because you don't have another place/enough land to put it on. What is the alternative?
3. Need for alternatives to septic systems: systems analysis, barriers, new ideas. University study?
4. Conventional micro wastewater treatment for cluster housing.
5. Values we want to hold dear as we find solutions: clean water, ecological integrity, human and wild health, equitable access / cost affordability / economic sustainability, community safety, future proofing / whatever we build will serve and not create problems for future generations, mitigate flooding issues, where to invest for long term / 7th generation...
6. Social discussions are difficult to have around these values/issues if it's your house
7. If these are the values, how can we build a system that aligns with them?
8. Want to know why 50' from Lake Superior shoreline but 150' inland water setback?
9. Conventional micro wastewater treatment for cluster housing

iii. Q3: What would need to happen in order for our community to access funds that are available in the near term to address septic and well infrastructure?

1. Big dollar items (\$15k+ for well, \$25-30k septic)
2. Gray water system cost \$2500 (for David), with installer \$5000
3. Municipal revolving fund - IRRRB has funding they can offer as a match to municipal funds for this purpose. HRA also has dollars that could be put into this fund. Township would need to decide to do this and set up a process for application for funds for residents

d. **Expanding Existing Housing Capacity:** Maintaining and improving existing housing capacity can be an area of real impacts for the Finland community. Letting homes and structures go into disrepair and dereliction (and the long time frames involved for tax forfeiture (3+ yrs)), are real barriers to keeping existing homes available. Through the work of FHS, we have identified some shorter and longer term pathways to access support for renovating homes and expanding septic systems to enable more bedrooms or housing units, age-friendly resources to better meet the needs of older residents, and develop more workforce housing and training.

1. Q1: What is the need/potential for impacts in this area of improving existing housing capacity and how would it impact the broader housing work?

2. Q2: What role does maintaining the current occupied housing stock play in increasing the available housing for residents? What should the priorities be when maintaining or upgrading properties?
3. Q3: How do we (as a community and FHS) attract or train the skilled workers needed to engage in this work now and for new construction? Do we already have skills, tools, and capacity to do some of this work within our community?
4. Discussion Notes:
 - a. Invest in the more expensive thing? Or cheap fix now with trailer park? No one wants airbnbs and resorts.
 - b. Auxiliary housing for renting / Maintaining the existing housing?
 - i. Basements, Garage spaces, Barns, Prefab / container homes, Modular homes, trailer park, tiny houses
 - c. There is a lot of buildable land...
 - d. Building/renovating. Who? Student labor, Volunteering
 - e. Materials used: Creativity, has to be a way to build things modestly
 - f. If the community wants to change the rules, how can we talk to the county? Can we adjust the building codes? Loopholes? County is more likely to do a variance/Conditional use permit rather than saying no. There is no high density housing allowed or commercial zoning.
 - g. Home Needs in Finland: Garage, Electricity, Running water, Wifi (some flexibility around running water in particular; young people more likely/able to be flexible)
 - h. Community facilities? Laundry, Showers
 - i. Things to think about:
 - i. Job opportunities?
 - ii. What does it take for a home to be a home?
 - iii. Create a resource map of contractors
 - iv. Look into community land trusts
 - v. Zoning, working with County, need a unified community voice
 - vi. Could vocational schools learn by building/renovating here?
- e. **Community Land Trust:** An increasingly popular response to keep more housing units below market rates is through a Community Land Trust (CLT). A CLT is usually a nonprofit organization that owns and manages land to hold in trust for new and existing residents. Residents buy a home on the land (usually below market rates), and enter into a 99 year lease for the land. Depending on the details of how the CLT is organized, homeowners can pass the house on to their heirs, or sell their house. When they want to sell the house, the homeowner agrees to a resale formula that enables them to get the equity they put in, and also sets price appreciation at a given rate (below market rates). This ensures the home can be purchased by another income qualified individual or family.

Especially in areas where home values and prices are rising very quickly, CLTs provide the benefits of stable home ownership to lower to middle income individuals and families, so they can stay in or join the community and thrive.

- i. Q1: VALUES What would be needed of this structure to meet the needs of both low income and higher working income people who also can't afford purchasing a home? How could this be setup in a way to not only benefit the individuals using it to afford a home but also benefit the whole community? How to be fair, unbiased, and nondiscriminatory.
- ii. Q2: Capacity to sustain the CLT organization if we have to create our own rather than join an existing wider org? (Potential connections to the Land Access Alliance CLT?)
- iii. Q3: Are there potential properties or land that could be donated to a CLT?
- iv. Discussion notes:
 1. Great interest in the potential. Might take a while to get set up.
 2. Questions about the costs of septic maintenance - would that fall on the homeowner or the CLT? This is why other CLTs often only work in areas with municipal infrastructure.
 - a. Learn more/research CLTs in rural areas - are there CLTs that have homes with well/septic? How do they set up the arrangement?
 3. Questions about the structure of the CLT - setting up a new nonprofit, joining an existing CLT organization, or creating a new program under an existing org?
 4. Consideration of the sustainability of the organization - it needs to be able to stay in place for a long time, or have a plan to join another larger CLT.
 5. Community education - increasing awareness of what CLTs are and how they work, and the potential positive impact on the long term health of a community. Outreach to civic-minded elders who plan to stay in their homes for the rest of their lives or community members who are not interested in real estate speculation - would they be interested in donating their land/home to the Land Trust to get it started?
 6. Get the pieces in place now so that we are ready when the opportunity comes.
- b. **f. Very Finland Home Solutions:** What are the kinds of housing most appropriate for Finland, while expanding housing capacity for residents? For example, how can we create multi-family housing that is responsive and reflective of Finland Community's unique needs and character? We know more innovative forms of housing might be possible - such as clustered smaller units of housing, or ADUs and mother-in-law apartments. In the short term, this might be case by case basis, but in the longer term, restrictions on some of these forms of housing may be able to be revised or changed. In both of these timeframes,

clarity and creativity in meeting our needs and good communication with the Township and Lake Co. will be essential.

- i. Q1: What does or could "multi-family" look like for Finland?
- ii. Q2: What are the key elements of a home in Finland?
- iii. Q3: How might a creative and unique multi-family development serve the needs of multiple community members, such as elders who still want to live in community and adults needing stable rentals?
- iv. Discussion notes:
 1. Possible forms of multi-family housing that would feel most appropriate for Finland - sharing infrastructure like driveways, garbage/waste disposal, plus the desire to have separate space for individual units. Example could be a cluster of small homes.
 2. Currently 4 short-term rentals are allowed. 4 new full-time housing units to make up for that loss could have a big impact on the community.
 3. Adding units incrementally to adjust to the idea and learn as we go. Design any new projects with replicability in mind.
 4. Could new housing fill multiple community needs? For example, provide stable rentals for adults and smaller housing for elders.
 5. Priorities: universal design, efficient and cost effective design solutions to make good use of small space and arrange water/plumbing services nearby to keep costs down, physical and financial accessibility for residents.
 6. We discussed the idea of a "one structure" that might include multiple units and some shared amenities. We talked about which things individuals might like to have entirely on their own each day (efficiency/kitchenette, bathroom), and which functions could be more shared (utilities/infrastructure, laundry, larger kitchen, larger gathering space like a shared living room, sauna, garage, snow removal).
 7. Apartments above general store, Finland Coop was discussed.
 8. Speculated/suggested places for new developments based on land use map, particularly considering tax forfeited land parcels.
 - a. Two potential tax-forfeited parcels: a parcel at the bottom of the hill on Heffelfinger Rd (advantage of being near "downtown" Finland, so could be particularly good for elder housing) and a more rugged plot off up a hill at the end of a logging road from Park Hill Rd.
 - b. Idea for clustered single family homes at the four corners of where lots meet, share one road for access and services.
 9. Who would own a multi-family housing development?
 - a. Co-operative ownership (co-op) vs. rental

- i. Advantage of co-op ownership: creates financial accessibility to ownership by providing an on-ramp to lower income individuals and younger generations who are priced out of the housing market. Keeps wealth in the hands of resident community members rather than outside developers/landlords.
- ii. Disadvantage: complexity, need to learn more and find models.
- iii. Possibility of combining co-op ownership with Community Land Trust?
 - 1. Example of a Co-op Housing Land Trust in Ontario:
<https://co-ophousingtoronto.coop/programs/coop-housing-land-trusts/>

8. Full Group share out - Tracy Chaplin

- a. Each table shared highlights from their conversation
- b. It was voiced that the next step likely involves working closely with the County, as many common barriers (such as zoning and septic regulations) are in their hands. There seemed to be general agreement.

9. Closing and gathering feedback - Tracy Chaplin

- a. Please vote for which action pathway you are the most excited about by putting a sticker next to that topic. You can also put your name on a sticky note on a topic if you are interested in continuing to work on that topic.
 - i. Topics with the most enthusiasm were Community Land Trust, Expanding Existing Housing Capacity, and Septic/Well Infrastructure.
- b. Watch for a feedback survey to come via email.
- c. Stay engaged by joining our regular meetings on the 2nd Wednesday of the month at Clair Nelson, 5:30-7:00pm. Next meeting is Wed 3/12.

10. Meeting Adjourned 7:00pm, Dinner from Baptism River BBQ

