

Town of Crystal Bay  
Finland Home Solutions Steering Committee  
Clair Nelson Finland Community Center

**Minutes**

March 6th, 2024

- I. Attendance: Doug and Terri Perfetto, Rachel Fleming, Ken Nelson, Honor Schauland, Joan Beard, Nancy Anselment-Olson, Mike Nikula, Kaare Melby, Pam Melby, Brion Kallinen, Jonathan Beauchane, Michelle Duhant, Bea Barr, David Geist, Elaine Loeffler, Demetrius Hill, Shawn Nowotczynski, Tracy Chaplain  
On Zoom: Katie Ristuccia
- II. Mike Nikula (Finn) called the Meeting of the Housing Steering Committee to order at 5:30pm.

A. **Welcome**

Handouts for everyone on some of the things from the last meeting, Introductions.

**Minutes/Notes from Feb 7th, 2024 correction and approval** - Motion by Nancy Olson seconded by David Geist to approve.

Vote to approve Pam Melby as note taker. Approved by unanimous hand vote.

B. **Presentations: Matt Johnson HRA**

- a. Explanation of his position: HRA is here not just to help low- or moderate-income, they're here for all incomes, as well as all housing types, such as workforce housing.
- b. Current projects: HRA is moving forward with workforce housing in Silver Bay by the current Silverpointe Apartments. This is a 27 unit development that would contain three 3-bedroom units, a few efficiency units, and the rest would be 1- and 2-bedroom units. They are currently applying for competitive grants that could help with costs.
- c. Wolf Ridge ELC is hoping to build workforce housing. ELC will take the lead on that instead of Lake County or HRA. ELC doesn't know what it will entail yet, but possibly 8 units to start. The goal is not for ELC to own and operate.
- d. They have a person on contract with the HRA, the former MN finance director, looking into the housing rehab program. She's looking into some low interest loans, or forgivable loans that people could tap into. The cons are that there's a lot of red tape, income guidelines, etc. They're hoping something will be figured out by this fall that would essentially be money set aside for the entire county that could be for housing rehabilitation.
- e. The possibility of a Housing Trust Fund would provide revolving funds for building projects. So, instead of asking for funds like with Silverpointe in Silver Bay, the HRA could help design a house and

then sell it at cost on a plot of land. There is hopefully a pilot house being built in Two Harbors in a few months. This Housing Trust Fund would pay for the contractors, materials, etc, set the price of the home at cost, and once the home is purchased, that money goes back to the fund, and repeats. The house will be a 3 br, 1.5 story house. But they are open to different designs for different areas. The Trust would probably not be looking at 10 acre parcels, more like 2.5 to 5 acres.

- f. Questions: Who qualifies and who decides who will get the houses through the housing trust fund?
  - i. The home must be classified as homesteaded in Lake County, and the buyer must live there. As other stakeholders buy in, such as Cliffs, ELC, Crystal Bay Township (CBT), they may specify additional criteria; such as the buyer must be an employee of the organization.
  - ii. We're not competing for the ½ million homes, we're looking at 200,000-300,000 homes. Finding local contractors to work on it will be the hardest part. Designers aren't as important as being local, but construction and contractors should be local. The hope is to build a house for cheap so that it is affordable for those who need it in the area. If you have lots or land available, please let HRA know.
- g. Comment: One goal should be to preserve the existing housing stock. Some houses need to be leveled, but some just need work.
- h. AEOA is applying for a 4m rehabilitation program. Again the problem will be finding contractors.
- i. An idea mentioned by Matt: The Housing Trust Fund could assist with housing repairs for houses just before sale, and that money could be remade during the sale of the house. It helps out the person trying to sell their home.
  - i. Question: But is the person selling the house going to sell it to someone who is going to turn it into an airbnb, or for someone who is going to actually live here? Could that be a stipulation that could be put into that sale?
- j. Comment: Each township has their own limit on the number of airbnb or vrbo, but some people do similar agreements "off the books." Some things you can't govern.
- k. Recommendations for how to get a map of tax forfeited land? HRA can get us the map, and will work with Finn on that.
- l. Could that tax forfeited land be prioritized for something like this instead of going on the market for bidding.
  - i. Maybe. There was a recent court case in Hennepin County that went against tax forfeited land (someone sued the county; they owned 90% of the property, but they lost it all

when the county seized it). It is in the County's interest to have tax forfeited properties sold so the County can begin making tax income on the land.

- m. Comment: One Roof is a good resource—they would possibly manage the land in trust if the Housing Committee handles the building. But the whole property belongs to the Housing Trust.
- n. Question: It's been stated that the County *might* have some revolving money. So if there isn't money, how do we get started without capital?
  - i. There is 320,000 in the trust fund now. The State will provide 150,000. The County board hasn't made a decision, but once it looks like there will be revolving funds, they're looking at putting up a million dollars into the Trust. This would become a cash guaranteed loan to build at 2% interest that the fund would be responsible for. Side note: *if* the HRA had to take a loss, they are in a good place with the levy they have to operate to handle that loss. The goal is to get as much money back to keep revolving, but it could lose a little to begin with.
- o. Current projects he has are; with a TH developer that wants to build a 36 unit development on their own dollar, building a house through the Trust in Two Harbors in a couple months. In Silver Bay they're doing new development by Silverpointe, Boathouse Bay (all high-end units), and Silver Bay Golf Course development of 25 units. So next on the list is Finland. The HRA can't do too much at once, but 2-3 houses per year could make a big difference.
- p. If there are more questions, write them down, and get them to Finn, as he will be in contact with Matt.

**C. Finn's Update:**

- a. Case studies; went to Bockovich, he's interested in cleaning up and working with housing.
- b. Haselow is upset with County, property was possibly overtaxed, but Finn will follow up.

**D. Rachel's Update on Grants:**

- a. Got a current plat book from the County. If you want one, they are \$30, but know that if you use your card, they charge \$4 extra.
- b. Applied for Empowering Small MN Communities Grant. This grant will be for help from the University to design and map properties, design houses, all on a system level scale. It also focuses on community engagement to find out what is wanted to be built. It will be officially turned in on Friday. We will know by mid April if the proposal will be linked to University resources.

**E. Any Additional Reports:**

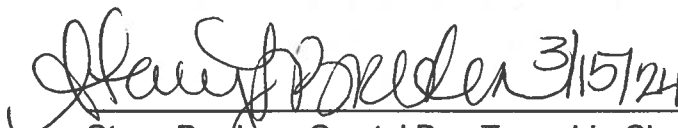
**F. Discussion:**

- a. Comment: We have homes that are vacant that could be put up for sale.
- b. Comment: We need to hear from the County about what they can and will do to work with the committee.
  - i. The next guest speaker is Joe Baltich. Rich Sve has also been approached about coming to a meeting and is willing. Christine McCarthy is also willing to come to a meeting.
- c. Comment: We should work on forming a list of local people and businesses that are qualified to BUILD the houses.
- d. Comment: We should look into finding contractor grants to pay the contractors competitively with the work they would be doing in larger cities or AirBnB's.
- e. Comment: We should look into finding a grant that could pay into their revolving fund.
- f. Question: Habitat for Humanity?
  - i. There was a project in Silver Bay within the last 5 years, there's a local chapter here. Maybe they should come talk to us?
- g. Comment: Lake Superior College has schooling for electricians, plumbers etc. If we make plans, buy materials, they could take care of it all and be inspected, with no charge because of their schooling.
- h. Question: Can we talk to the county before the Meeting of the Whole so they know that this committee exists? The meeting of the whole will be April 16, 2024 at 6pm, an hour before the usual CBT meeting at 7pm.
- i. Comment: Please fill out per diem sheets, and sign the sheet to be signed up for email reminders.

**III. Close Meeting:** Consensus to adjourn the meeting at 6:35pm until April 10th at 5:30 p.m. at the Clair Nelson Finland Community Center.

  
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Mike Nikula  
Community Outreach Coordinator

  
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Pam Melby  
Committee Secretary

  
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Stacy Breden - Crystal Bay Township Clerk