

Management Information Exchange

SPECIAL FEATURE

COMMUNITY LAWYERING



TALES, TOOLS AND TRANSFORMATION: TEACHING COMMUNITY LAWYERING

*By Ellen Hemley, Director of Training, and Shari Zimble, Staff Attorney
Massachusetts Law Reform Institute*

Introduction to this Special Feature on Community Lawyering

For decades legal services organizations and their managers have struggled to balance the desire to represent the broad interests of the communities they serve with the need to assist individuals with their legal problems, despite severely limited resources. We are pleased to present a special feature which looks at “Community Lawyering” — work which seeks to be guided by and respond to the interests of the communities we represent and to empower them in addressing their concerns and advancing their own agenda. While this work can be integrated in many ways into legal services practice, many organizations are using Community Economic Development (CED) projects as an approach to work with local communities. We have included articles that look at CED work by legal services staff, in the pro bono realm, and at law schools. Our hope is that by providing concrete examples of important work that is being done, we will help others make decisions about whether and how to move into CED lawyering.

We are particularly indebted to Guy Lescault for his significant contribution to this special feature. Not only did Guy propose the initial idea for a special feature on CED, but he also volunteered to submit an article and then lined up most of the authors who wrote on that subject. Moreover, as is often the case, Guy’s original idea ultimately turned out to be the seed for an even more variegated garden. We hope that this collection of articles spurs readers’ thinking about various ways that legal services workers can make a real difference in the client communities they serve.

MIE Journal Committee

Our experience designing and presenting the recent Community Lawyering training has many elements of the mythic hero story. Such stories always involve a journey and include a number of core elements. The hero leaves her comfortable, ordinary surroundings to venture into a challenging, unfamiliar world. The journey may be an outward one to an actual place (barren desert, dark cave) or an inward journey of the heart, mind or spirit. At its resolution, the hero may end up in a new physical place or return full-circle to where she began; in either case, she is transformed in fundamental ways.

These notions of myth and story are prominent in our experiences with the Community Lawyering training. They provide a metaphor for the journeys we underwent as individuals and as a group, leaving

behind our original concepts of our roles as legal aid advocates and exploring new ways to understand and respond to community problems and issues. We also came to realize the pervasiveness and power of stories, how they influence the ways individuals and communities see themselves and their roles in the world; how stories reflecting the dominant culture, in which the communities we work with are either negatively portrayed or ignored, perpetuate and reinforce those communities’ and our own feelings of hopelessness and despair; and, conversely, how creating space for community residents to themselves tell stories of their own lives and dreams represents a powerful force for change. Finally, our use of stories and storytelling during the training itself was a highlight of the three days and confirmed its use as a potent vehicle for engaging partici-

pants intellectually and emotionally, building community, and achieving other training goals and objectives.

Our journey began at a time that, at first glance, was inauspicious. Our clients were facing cut after cut to the most basic of services. At all levels of government — federal, state and municipal — safety nets were eroding. Legal aid programs, too, were losing funding; advocates were concerned about their own job security as well as that of clients. In times of retrenchment, we typically pare back to what is most essential. In legal services practice, this frequently means narrowing intake to meet what we see as the most critical needs of the individuals who contact us for help. In developing the community lawyering training, we realized that there is an even more basic and essential level of service: listening to the needs and aspirations — the stories — of the communities we serve, and helping them develop the capacity to ensure that their stories are heard and effectively influence the local, state, and national debates that affect their lives. This response expands rather than contracts our programs' abilities to meet these needs, because it places legal aid in partnership with low-income communities and other allies. As we listened to design team members' and community leaders' stories, we realized that this work requires not a giant leap of faith, but rather the utilization of tried, true, and teachable skills. It also affirms, and for many, returns us to the hopes and values that led us to choose to become legal aid lawyers.

Leaving Behind the Familiar

When we first convened our design team for what became the “community lawyering” training, our goals were modest: review and update the old “Advocacy Outside the Courtroom” training (an updated version of the even older “Multi-Forum Advocacy Training”) that we last presented in the early 90s. Greatly influenced by our colleague Gary Bellow, who worked with us on the design and presentation of that training, we hoped to dust off the old training design and do some minor tinkering. However, at our initial design meeting, team members brought experiences and perspectives that quickly transformed our task.¹ They described experiences working with community groups to create structures for providing vital services such as community-based health centers or affordable housing, assisting in community economic development activities that brought jobs and resources into low-income communities, helping new and existing grassroots groups through the processes of incorporating, developing by-laws and convening boards of directors. What stood out

for us most in these descriptions and challenged us in designing the training were the less “action-oriented” and quantifiable aspects of the work: listening to and learning from communities, building relationships with individuals and groups by conducting one-on-one conversations, attending community events and serving on community organization boards. Advocates were describing the myriad activities often unacknowledged within legal services programs that build the capacity and develop the leadership that supports community residents' abilities to participate fully in the processes and decisions that affect their lives. And while these latter activities represented a significant departure from what we typically think of as “legal” work, they seemed to be at the heart of what distinguishes community lawyering from more traditional legal aid practice.

Discoveries & the Beginning of Transformation

Our design team also introduced us to the recent focus on community lawyering within the national legal aid community, academia and the foundation world. The examples presented at conferences and described in the ever-expanding literature on community lawyering were inspiring but only of limited use since our task as a training design team was to develop curriculum through which advocates could learn how to *practice* community lawyering. To make a long “story” short, we identified a set of core values that reflect our understanding of the defining features of “community lawyering” as well as core competencies and learning objectives for each (See Box A). While many of these elements are familiar to both lawyers and community organizers, we took them a step further by developing a conceptual framework specific to community lawyering, and identifying both the necessary tools and the discreet steps that advocates need to be successful in this approach. We melded this at every level with storytelling. It was this combination of theory, skill building and storytelling that made the training so successful. The stories were both practical and inspiring; through them, participants experienced the relevance of the tools and theory they were learning, and at the same time used the stories to challenge and affirm this teaching. We concluded that community lawyering, as we had come to understand it, is defined thus:

Community lawyering refers to a wide range of community building and advocacy-related activities through which legal aid advocates contribute their legal knowledge and skills to support community-identified initiatives that return power to the com-

Box A: Competencies & Core Values

Community Lawyering Competencies

Community Understanding and Relationship Building: Effective community lawyers facilitate the creation of strong relationships with and among community residents. They have a deep knowledge of the history of the community with which they are working and its key partners and institutions, as well as the political, cultural, racial, and class issues and underlying problems facing that community.

Issue Identification and Strategy development: Once in relationships community lawyers facilitate community members' abilities to identify their common concerns and translate those concerns into actionable issues that they can successfully address in ways that build relationships, energize them through success and foster a desire and ability to increase their power and the scope of their vision of self-determination.

Advocacy Tools: Community lawyers contribute a mix of legal and non-

legal advocacy tools to support community-identified initiatives.

Community Lawyering Core Values

- Recognizing and honoring the community's expertise, strengths and resources;
- The centrality of listening;
- The commitment to working collaboratively with community members to identify problems, issues and strategies for change;
- Recognizing the limitations of the law and being willing and able to use a range of non-legal approaches to address community issues;
- Creating space for community members to speak for themselves;
- Helping build leadership and "relational" power within communities;
- Recognizing and engaging issues of difference and power.

munity. Its goal is to support lasting changes that bring about social justice.

Our approach to community lawyering contains elements of three major practices: *community development*, a results-oriented process for increasing a community's economic, housing and other resources; *community organizing*, a vehicle for mobilizing communities to work on short, winnable, issue-oriented campaigns against specific targets with the longer term goal of creating self-sustaining community-based organizations capable of attaining even greater changes; and *community building*, a vehicle for increasing the "social capital" within a community — identifying community resources, building new relationships among community members and nurturing new leaders. Inherent in the work of community building is a shift from a deficit approach, which focuses primarily on a community's problems (violence, unemployment, poverty), to an asset approach which identifies a community's resources (civic associations, local institutions, religious organizations, individual talents and skills) and builds links among them so that together community residents and organizational partners can take action. For us, community building is the basis of community lawyering; it creates the necessary structure to support community development and organizing.

Utilizing and building upon the above three practices, legal aid advocates then contribute the skills and resources — legislative and policy advocacy, litigation, transactional work, etc. — that are unique to their training and experiences as lawyers and that can provide leverage when pursuing community goals.

From this understanding of community lawyering, we were able to define our core competencies.

Competencies are defined as the skills, knowledge or abilities that can be developed through education, training and practice. They were our first step in breaking down the elements of community lawyering into discreet components. These competencies are listed in Box A, together with the Core Values that also flowed from our definition of Community Lawyering. These Core Values both explicitly informed the way we see the advocate's roles in relation to the communities with which they work, and underlie the concepts and tools included and developed for the community lawyering training.

Our skill-building sessions are listed in Box B. These sessions corresponded to the unfolding of a video-taped case study.

Storytelling as a Training Tool

Storytelling was the vehicle through which we engaged participants emotionally as well as intellectually. We used these stories in several ways:

- *Tales from the trenches.* At least twice each day, advocates experienced in community lawyering discussed one of their campaigns. These tales were graphic (one advocate tore a piece of paper to illustrate how the community she worked in had been shrunken and divided by various "redevelopment" plans). They were thoughtful — there was no bravado, but rather attention to the behind-the-scenes role that community lawyers primarily take, the multiplicity of tools they have to work with, and the processes they and community members used to choose issues and make tactical decisions (for instance, whether and when to file a law suit).

Box B: Skills Sessions

Small & Large Group Sessions

- Community Understanding & Relationship Building
- Community Organizing
- Translating Problems into Issues
- Choosing Issues
- Supporting Full Participation in Groups
- Stakeholder Analysis
- Power Mapping
- Strategy Development

- Identity & Difference

Concurrent Sessions

- Leadership Development
- Institution Building
- Media Advocacy
- Policy Advocacy
- Community Legal Education

And they were inspiring examples of the roles advocates can play in helping communities develop and expand awareness of their power to make positive changes.

- *One-to-ones.* The design team came to share the belief that these form the necessary foundation for building and sustaining long-term relationships. Each night, participants were assigned to pairs in which they would participate in a one-to-one, listening to each other describe their lives, values and visions. This met two goals — to develop advocates' skills in using this important tool, and to build community among advocates.
- *Case study.* Our case study was presented through a video of a newscast that described a realistic problem in the middle school of a fictitious town — a leaky roof led to the closure of several classrooms, and children with special needs were sent to an improvised classroom in the basement. It then showed a meeting at which parents and a legal aid attorney identified issues to address this problem, and chose one. The scripted scenario highlighted how difficult it can be for legal advocates to refrain from taking over, and instead recognize and support the capacity of group members for leadership. Consistent with the choices that real groups in similar situations have made, the parents in the video decided — with arguably too much pressure from the advocate — to tackle the repair of the roof, and not the discriminatory treatment of children with special needs.

The participants struggled for days with the question of whether the parents had made the “right” deci-

sion, whether it was truly their choice and not the lawyer's, and how they felt about the group choosing the bricks and mortar issue when there was an exciting (for the advocates!) discrimination case brewing.

- *Using stories as the basis of skills workshops* (working with the media, examining identity and difference, etc.). This happened in two ways. In the media workshop, for example, participants used the case scenario as the basis for developing media strategies. In the workshop on identity and difference, the advocates used stories from their lives. Participants' responses to their partners' narratives continued beyond the workshop.

Challenges along the way

We encountered a number of challenges in the course of our journey.

- *Funding:* A number of project directors and staff attorneys expressed concerns that, even if they wanted to practice community lawyering, they would be constrained in pursuing it because of funding limitations. While many funders do emphasize case “numbers” as a vehicle for defining success, many others are willing to look at other measures, including the actual dollars or other resources brought into a community as a result of community lawyering activities. We were fortunate to have a senior staff member from United Way participate in our final session “Making the Case for Community Lawyering” and describe United Way's “community impact” strategy that encourages grantees to engage in many of the activities that constitute community lawyering. We were also heartened by the tale of an LSC-funded project director, who engages in community lawyering, that successful advocacy is the best way to make the case to funders who will, as a result, seek association with the program.
- *Lawyering Role:* This was expressed as a concern that the multiplicity of “non-legal” roles and approaches involved in community lawyering are not an appropriate use of attorney resources, that attorney time is better spent engaging in exclusively legal activities, leaving the rest to non-attorney advocates, social workers and others. We responded to this by offering examples of the far-ranging roles and activities that attorneys representing the rich

and powerful regularly engage in to advance their clients' goals.

- *Lawyer as Hero*: This was a particularly interesting challenge given our discovery of the power of myths and stories generally, and particularly in the context of social change. The character of Atticus Finch in *To Kill a Mockingbird* who, through his personal conviction and courage, together with the power of his legal skills, embodies the “lawyer as hero” myth that informs how many in legal aid and public defender work see their roles. We engaged participants in thinking about an alternative heroic myth, one that portrays lawyers working *with* community residents to create change and alter the balance of power in support of community members' interests.
- *Resource Allocation*: This challenges the justification of taking resources away from direct representation when there are already insufficient resources to serve all the individuals who need legal assistance. We responded by pointing out that we are positing “community lawyering” as one of a plethora of resources and approaches along with individual representation, law reform, brief service and advice, pro se support that legal aid programs offer the communities they serve. As the many tales from the trenches demonstrated, community lawyering is a powerful tool for achieving social change and bringing much-needed resources to a community. This is an especially compelling argument now that clients are losing so many entitlements; when, for example, health benefits are being cut, a neighborhood health clinic can make an enormous difference to a community.

Resolution, Return and Transformation

The extraordinarily high level of enthusiasm and energy during the training was due, we think, to a combination of factors:

- The community lawyering model represents an approach to legal aid practice that resonates for many advocates who chose legal aid as a way to engage in social change and who seek to provide services to community groups as well as individuals;

- The combination of storytelling and relationship building created a higher level of engagement in the training and increased the sense of community among trainers and participants;
- The event was a lot of fun! We closed the training on the third day with a rousing song (written to the tune of the Beatles' Revolution and referencing the case scenario woven throughout the three day event) which captured the themes and insights gleaned over the three days.

We left the event filled with many emotions: proud of our collective work, energized and inspired by participants and trainers commitments to working together and in new ways on issues of economic and social justice, and challenged to undertake the next phase of our journey, this time with a larger and increasingly enthusiastic group of fellow-advocates.

1 Our design team included Zenobia Lai of Greater Boston Legal Services, Ross Dolloff of Neighborhood Legal Services (NLS) in Lynn, Fran Fajana, staff attorney with the Massachusetts Law Reform Institute's Minority Rights' project; Myra Hindus and Colleen Daly of the Massachusetts Diversity Coalition; Sarah Parker-McKernon of Legal Advocacy and Resource Center in Connecticut. We were later joined by Pamela King who joined the MLRI staff; Mark Potvin of NLS; Joyce King, community activist and teacher; Maura Kelley, initially from the Center for Law and Education and later with Harvard Law School and Annette Duke of MLRI. The training also benefitted immeasurably from the support and encouragement of Allan Rodgers, MLRI's Executive Director.

Ellen Hemley can be reached at ehemley@mlri.org, and Shari Zimble can be reached at shari.zimble@earthlink.net.



CED ORGANIZATIONS AND PRO BONO BUSINESS LAW: WHAT YOU DON'T KNOW CAN HURT YOU

By Allen Bromberger, President¹



Power of Attorney

In many communities today, legal service programs are looking for opportunities to address a range of critical needs for low-income populations. They are also considering opportunities that would allow them to have an even broader impact. One natural

fit for such expansion involves community-based organizations, especially community economic development (CED) groups involved in services related to low-income housing, job development and other essential areas.

Legal service programs all across the country are recognizing that CED organizations need high quality legal services related to transactions and many other areas of their operations. In response, legal service programs are working to take on the role of intermediaries in their communities, developing the resources necessary to help more CED groups access high-quality pro bono business law services.

While this seems like a logical and effective expansion of the role of many legal service programs, meeting this need also typically requires these programs to expand the range of legal expertise they offer. Many community development corporations (CDC) today need a lawyer to help them with business issues ranging from contracts and real estate to employment and copyright protection. In a difficult economic climate, more nonprofits of all kinds also are considering options in mergers, alliances with other organizations, or even bankruptcy as they fight to deliver their services. In many cases, these difficult and complex business options are being considered at a time when the demand for the organization's services in their community is growing exponentially. With these pressures, CDCs may be even more likely to ignore pressing legal issues that could jeopardize the long-term viability of

their organizations. Without this focus, however, and without the right legal help for each issue, operational and transactional matters related to employees, contracts, real estate, for-fee services and many other aspects of their work could result in minor or even severe legal problems.

The Role of Legal Service Organizations in Representing Community Based Nonprofits

Every nonprofit at one time or another needs experienced legal help. While some of these organizations recognize that professional legal help can keep their operations running smoothly, many others do not, and fewer still know the best and most affordable ways to find the legal help they need. At the same time, many legal service organizations find that they can expand their expertise and capacity to serve clients by matching them with outside private business lawyers. As a result, there are a growing number of "intermediary" organizations in cities across the U.S. that work specifically to help nonprofits find pro bono lawyers who have the business law experience they need.

Many leading intermediary organizations have been working for decades as effective facilitators of pro bono business law. Organizations such as Lawyers Alliance for New York (New York City), Community Legal Resources (Detroit), Chicago Lawyers Committee for Civil Rights (Chicago), and Public Counsel (Los Angeles) help hundreds of CDCs and other nonprofits each year to find the legal help they need. In some cases, intermediary groups are projects of LSC-funded legal service organizations. Others are not LSC-funded but work regularly and very closely with those organizations in their communities. The need for pro bono legal services is so widespread that even smaller organizations as well as individuals and teams that manage legal service programs at public interest firms are taking on the role of intermediary in their communities. On a very basic level, these efforts are designed to make it easier for nonprofits to find the experienced pro bono

business law services they need. Today, however, we also recognize that the intermediaries function as a part of the fabric that supports and nurtures the nonprofit sector, helping to make sure that many essential services continue to be available to people in need.

Reaching Out to Clients

Legal service organizations that are working to help CED groups get the legal help they need are a part of the critical network of support for the nonprofit sector that also includes accountants, marketing consultants and many others. Recognizing the role that they play in this support network is a vital component of success for all intermediaries — because so many of the needs of nonprofit organizations in one service area overlap with support provided by others. For instance, the work of an accountant must comply with legal guidelines, and writers and graphic designers should be aware of liability and copyright issues related to their work.

Large and dedicated intermediary organizations usually have strong formalized outreach programs. Others have an informal network of people who are involved in pro bono. Most LSC-funded organizations have an existing network of relationships that they can use to reach out to groups that are doing the best work in community economic development, social service, and other areas. Many CDCs may be able to find pro bono legal help in their community by searching the Web. Power of Attorney also has a growing data bank of information about intermediaries across the country that could be an important resource for CED groups working in those areas. For more information call POA at 212-643-6242 or visit www.powerofattorney.org.

What Types of Legal Help Do Community Based Organizations Need?

Despite this broad base of support from the legal community, the majority of CDCs are still unaware that experienced lawyers are available in most areas to work with them — for free or at substantially reduced rates. At Power of Attorney, one of our top priorities has been to help more nonprofits identify the most important legal risks and challenges they face. We recently developed a new 10-point checklist that identifies the most critical legal challenges that CEDs and many other nonprofit organizations face each year. This checklist is also an excellent guide to help legal service programs recognize the most important legal services required by CDCs:

- *Incorporation and tax exemption:* A range of government regulations and requirements applies to incorporated or tax exempt CDCs and other nonprofits. Failure to comply could jeopardize an organization's nonprofit status and lead to more serious legal consequences.
- *Financial filings:* Most nonprofits must file financial reports with the IRS or other government agencies on a regular basis, with penalties for non-compliance.
- *Employment or contractor issues:* Nonprofits that have employees or work with independent consultants must address many requirements associated with employment law, payroll, benefits and tax withholding.
- *Real estate:* For nonprofits that own or rent real estate, a lawyer can help explain rights and obligations related to property taxes, building code compliance, leasing, insurance, zoning or other use restrictions.
- *Contractual obligations:* Both before and during the period of a contractual obligation, a lawyer can protect the interests of a nonprofit and help to address any problems that may arise.
- *Publication of materials/copyright protection:* Any nonprofits that publish or distribute materials should be familiar with the protections available through copyright and trademark law.
- *Lobbying or political activity:* There are strict guidelines that nonprofits must follow regarding lobbying or political activities by nonprofits. Failure to comply can jeopardize nonprofit status and fundraising activity.
- *Grantmaking or contracts:* Nonprofits that receive grants or contracts valued at more than \$100,000 or have a budget of over \$500,000 are engaged in "substantial activities" that require them to follow certain procedures in financial controls, audits and purchasing.
- *Earned income operations:* Nonprofit organizations that own or operate a business, or charge for services, must be structured properly and must also comply with tax rules. (continued on p. 41)



A BUSINESS COMMITMENT: PRO BONO RESOURCES FOR COMMUNITY ECONOMIC DEVELOPMENT PARTNERSHIPS

By Guy E. Lescault, Director¹
A Business Commitment

ABC, A Business Commitment, was created in 1993 by the Pro Bono Committee of the American Bar Association (ABA) Section of Business Law. ABC has a double mission:

- To provide legal expertise to community-based groups that cannot afford to hire a lawyer; and
- To provide business lawyers with opportunities to make pro bono contributions by volunteering their special skills.

The challenge for ABC is to link the expertise with the need for community economic development.

What is the Need for Community Economic Development?

“Community economic development,” or CED, simply means the creation or strengthening of economic institutions that are controlled or owned by the residents of the low-wealth communities in which they are located or in which they will exert primary influence. Institutions may take such forms as housing development corporations, business firms, industrial development parks, credit unions, cooperatives, and community development corporations (CDCs). They may also include organizations or services that upgrade the human and social environment in ways that increase the economic value and energy of the community, i.e., micro-enterprise networks.

The process of community economic development means that the community builds a variety of locally controlled economic institutions that will:

- attract outside capital into the area
- improve the physical environment

- increase job and entrepreneurial opportunities for residents
- provide or encourage others to provide more accessible services and goods to residents
- in general, create conditions under which the community can participate in the economic advantages of the rest of society.

Although many legal service providers do not have a defined CED practice area, most legal service providers do have a commitment to build the economic capacity of the communities they serve. With that commitment, they serve as community lawyers promoting economic justice.

How Can Pro Bono Business Lawyers Help?

Business lawyers who want to make a pro bono contribution are often not presented with ready opportunities to volunteer their expertise in the ways that specialists in other areas of the law may be. Their unique know-how and skills do not easily match up with the needs of typical individual pro bono clients, especially those needing litigation assistance.

When pro bono business lawyers have a chance to use their own skills to assist low-wealth community groups, they become more enthusiastic volunteers and better citizens. As planners, builders and corporate counselors, business lawyers would rather work with community institutions and people struggling to participate in the market economy than with citizens in trouble in court. An intangible benefit is the creation of a “social bridge” connecting segments of the community who but for the pro bono opportunity would not likely have ever interacted.

While each structure is different, the lesson learned from the model pilot projects is the need to have a “connector” to link the legal needs of the community-based organizations with the resources of volunteer lawyers.

Why Is a Connector Necessary?

ABC initially functioned as a national clearinghouse, matching potential clients with local volunteer law firms and attorneys. Because there are over 60,000 members of the ABA Business Law Section, ABC had an abundance of human resources. As a national entity, however, ABC found it was distant from the communities around the country where economic development projects were in progress. ABC felt that local and state-based Business Law Pro Bono Projects had a better potential to make a major contribution to local community economic development efforts.

Pioneer Business Law Pro Bono Projects had operated successfully in major metropolitan areas for some time, including the Lawyers Alliance of New York, Public Counsel in Los Angeles, the Community Economic Development Law Project in Chicago, and others. In 1998, with the support of the Ford Foundation, ABC worked with bar associations and local Ford Foundation community partnerships and organizations in Washington, DC, and Atlanta to design and launch two Model Pilot Projects to serve as prototypes for replicating the successes of these programs in other areas. Successful projects were also launched in Detroit and St. Louis.

Because each community is different, the structure of each project is different. While each structure is different, the lesson learned from the model pilot projects is the need to have a “connector” to link the legal needs of the community-based organizations with the resources of volunteer lawyers.

What Structure Is Necessary to Be a Connector?

The structure adopted for each project must take into consideration such factors as location, available resources, leadership, governance, staffing, and day-to-day activities. Keep in mind that the structure should promote the involvement of constituencies, volunteer

lawyers and community-based organizations, and must touch day-to-day work.

Successful projects have adopted a variety of different approaches.

- *Local Bar.* In DC, the DC Bar Pro Bono Committee operates the project. The CED Project has a Project Advisory Committee made up of practicing attorneys, community organization representatives, law school clinic representatives, and a community banker. The Advisory Committee is involved in the activities of the project on a regular basis.
- *State Bar.* In Georgia, the State Bar of Georgia ABC Committee operates the project. While its members are primarily attorneys, they include representatives of the Georgia Legal Services Program, the Georgia Non-Profit Resource Center, Atlanta Legal Aid and the Atlanta Volunteer Legal Foundation. In addition, the Committee has partnered with a variety of state based umbrella groups covering micro-enterprise, community development associations and workforce initiatives.
- *Legal Services Program.* In Detroit, the project is located within a legal services program. (Although in this instance the legal services program is not LSC-funded, LSC restrictions would not bar the location of a project within an LSC-funded program.) The project’s Board of Directors includes representatives of the business law bar, area law schools, legal services, and community development support organizations. Members of the Board of Directors agreed to be actively involved in the work of the project, in fundraising, recruitment and hiring, and similar capacities. In Texas, the statewide pro bono initiative for transactional attorneys, Texas C-BAR, is a special independent project of LSC-funded Texas Rural Legal Aid. The project has a separate board of directors representing law firms, financial institutions and funders.

What Is ABC’s Function?

As a result of the Model Pilot Projects, in March 2000, ABC published a manual called *The ABC Manual: Starting and Operating a Business Law Pro Bono Project*. The manual was published with the hope that it would inspire and assist Business Law section members in other locales to replicate the successes of these programs in their own communities. Since its publication,

the number of business law pro bono projects has doubled.

ABC is committed to building the capacity for pro bono business lawyers across the country to meet the legal needs of community-based organizations. This national project serves three main functions:

1. ABC is a national clearinghouse for information on starting and operating a business law pro bono project. In addition to the *ABC Manual*, the website www.abanet.org/buslaw/probono has an on-line *Searchable Support Directory* and an on-line *Searchable Toolbox of Sample Operating Forms*. ABC also operates a membership listserv.
2. ABC is also a national catalyst for expanding the pro bono services provided by business lawyers by linking their special skills and expertise to community based groups that cannot afford to hire a lawyer to form new connectors. ABC provides technical assistance to help create new entities providing pro bono business support. There are now over two dozen entities listed in the directory.
3. ABC is a national developer of resources to both support its functions as a clearinghouse and catalyst and to leverage resources to serve as models for funding local and state projects. ABC has used the credibility and track record provided by the involvement of the business bar in community development projects to bring in other providers

and other funders. ABC has been a strategic partner of Power of Attorney and other resource providers.

What Capital Resources Can an ABC Program Provide?

The role of pro bono business lawyers assisting community development is as important as the role of lawyers in the dispute resolution litigation process. Also, the engagement of business lawyers in community development work expands the potential for different funding sources.

Contributions can be made not only from the law firms but their corporate clients as well. CED work provides an excellent opportunity to tap into the business skills of in-house counsel. Corporations are more likely to provide money and support to programs in which their employees are active. Banks with Community Reinvestment Act requirements and other community institutions can be other sources of funding. Many of the ABC intermediaries receive support from the business and corporate sections of the state and local bar.

There is a client need for community economic development. ABC provides the human and capital resource to help meet that need.

1 Guy Lescault is the Director of A Business Commitment. In a variety of capacities, he has advocated for over 30 years on behalf of expanded resources for legal services. Guy can be reached at A Business Commitment, Georgia Legal Services Program, 1100 Spring St., NW #200A, Atlanta, GA 30309, 404-206-5347, 404-206-5346 FAX, glescault@glsp.org.

Save the Date!

New Executive Director Training

Tuesday, November 11, 2003, 9:00 a.m. thru Wednesday, November 12, 2003, 4:30 p.m.

Immediately preceding the NLADA Annual Conference

The Westin Seattle Hotel
1900 Fifth Ave., Seattle, WA 98101
206-728-1000

This two day training is designed for the new directors of LSC-funded, IOLTA-funded, elder law, pro bono and protection and advocacy programs, as well as for experienced directors of new programs which provide legal assistance and legal information to low income clients.

The intent of New Executive Director training is help new directors, who typically learn on-the-job, to more quickly achieve deeper insight into their work.

The training stresses both 1) knowing what should be done to lead an effective program, and 2) actually doing what needs to be done. Knowing is accomplished through an extensive set of materials, with tapes to guide self-study. Most of the training itself is devoted to doing — performing some of the most important tasks required of executive directors. Participants also will work on actual situations brought to the training by their colleagues.

Please register by October 21, 2003. For more information, contact Patricia Pap, MIE Executive Director, 617-556-0288, 617-507-7729 fax, ppap@m-i-e.org, and visit the MIE website at www.m-i-e.org



COMMUNITY LEGAL RESOURCES: TAPPING THE SKILLS OF BUSINESS LAWYERS TO BUILD NEIGHBORHOODS IN DETROIT

By Angela Zemboy, Executive Director¹
Community Legal Resources



Nonprofit community organizations are on the frontlines of rebuilding neighborhoods in Detroit and across Michigan. These small, typically understaffed organizations provide job-readiness training for the chronically unemployed; offer after-school recreation and homework help for at-risk

kids; arrange transportation and meal delivery for the elderly and disabled; and rehabilitate and build new affordable housing. They do all of this on shoestring budgets, often struggling simply to cover basic operating expenses. Hoping to minimize their costs, some nonprofit organizations engage in a number of complex activities without an attorney. Yet their for-profit counterparts would never purchase property, establish subsidiary corporations, fire an employee, lease office space or sign a contract without consulting the person who is often their closest business advisor: their attorney.

In the fall of 1998, Community Legal Resources began as a joint project of Michigan Legal Services and the Pro Bono Committee of the Business Law Section of the American Bar Association to address these needs. Modeled on existing programs in New York City, Chicago, Los Angeles and other cities, Community Legal Resources provides nonprofit organizations with free legal assistance from some of southeast Michigan's most skilled business law practitioners. Volunteer lawyers from the top corporate law firms in Detroit and throughout the state assist nonprofit organizations that serve low-income communities and individuals and cannot afford legal assistance.

Strengthening the Third Sector

In Detroit, the role of the nonprofit sector is growing and evolving. The 2000 Census reports that 26% of

Detroit's residents and 35% of its children live at or below the poverty line. Twenty-two percent of households lack cars to carry them to low-wage jobs in the suburbs. Thirty percent of Detroiters aged 25 and older lack the high school diploma that would enable them to tap into higher-wage employment. Neighborhoods are being abandoned, marked by vacant houses and empty lots. And nonprofit, community-based organizations are stepping in where government and the private sector have failed.

Since 1957, the Southwest Detroit Business Association, located in the low-income, largely immigrant community in southwest Detroit, has worked to stem the flight of capital from their community by providing loans and technical support to small businesses and to remove graffiti and spruce up business districts. Their success is seen in a now-bustling commercial street marked by new grocery stores and restaurants, with freshly-painted facades, and patrons who come from throughout the metropolitan area. Through Community Legal Resources, several lawyers from the law firm of Dykema Gossett have partnered with the Southwest Detroit Business Association, advising them on loans to new businesses and helping them structure financing for the renovation of older commercial buildings in the neighborhood.

Another organization, YouthBuild Detroit, helps young people as they struggle to get an education and find work in a skills-based labor market. During a year-long program, low-income 18 to 22 year olds complete their GED and learn skills as apprentices in the construction trades. The result is new, affordable housing in some of Detroit's most devastated neighborhoods, and young people with the skills to be hired into the lucrative construction industry. Community Legal Resources matched YouthBuild with a team of lawyers from the law firm of Butzel Long to review contracts

with lenders and advise staff on employment, worker's compensation, and liability issues.

Nonprofit organizations receiving services from Community Legal Resources range in size from very small, grassroots neighborhood groups working to organize cleanups, to large community development corporations with dozens of employees building affordable housing and renovating storefronts in decaying neighborhoods. They provide critical services that would otherwise be unavailable. Pro bono legal services allow them to focus energy and staff time on these important activities, avoid costly litigation, and reinvest scarce operating dollars back into the community, strengthening their impact over the long-term.

Matching Two Unmet Needs

The Community Legal Resources model of providing legal assistance to community organizations works by matching two previously unmet needs: the need for quality legal assistance for nonprofit organizations and the need for relevant pro bono activities for business lawyers.

Community Legal Resources answers the call from business, real estate, tax and other transactional lawyers for meaningful pro bono work in their area of expertise. Since 1998, over 250 business lawyers have provided legal assistance to as many nonprofit organizations through Community Legal Resources, providing free services whose market value is estimated at over \$2 million. Lawyers alert community organizations to actions that would expose them to liability or threaten their tax-exempt status and assist them in obtaining favorable terms in negotiating joint venture agreements, financing agreements and other contractual relationships. The lawyers are comfortable providing counsel on legal issues with which they are intimately familiar. And their expertise translates into first-rate representation for nonprofits engaged in complex, often risky development work. It is an ideal union.

Nuts, Bolts and Challenges

Community Legal Resources operates with a staff of two full-time lawyers, a non-lawyer director and an office manager who is shared with the program's parent organization, Michigan Legal Services. Consultants and contractors are retained periodically to assist with technology issues, fundraising, strategic planning, public relations and other project-specific activities. The organization's \$250,000 budget is comprised entirely of donations, foundation and public grants, and corporate support.

The Community Legal Resources model... works by matching two previously unmet needs: the need for quality legal assistance for nonprofit organizations and the need for relevant pro bono activities for business lawyers.

Nonprofit organizations interested in receiving service complete a request for legal assistance form with information about their finances, mission, and program activities. The request form — along with organizational documents, IRS rulings, Articles of Incorporation, etc. — is reviewed by an attorney at Community Legal Resources to determine whether the organization qualifies for legal assistance and the legal matter is appropriate for referral to a volunteer lawyer. To qualify for help an organization must have the following: 1) a mission that involves service to low-income or otherwise disadvantaged communities; 2) funds insufficient to hire an attorney; and 3) the capacity to work with and benefit from the assistance of a lawyer. Each potential client is then interviewed, generally in person, regarding the specifics of their legal issue.

If a group passes these tests, an email or fax referral is sent to between three and five of the nearly thirty law firms and corporation counsel offices participating in the program. A match is made on a first-come, first-served basis, generally within two to three days of referral. After placement, Community Legal Resources staff attend the initial client-attorney meeting to ensure agreement regarding the scope of work to be performed and to offer technical support to both the lawyer and client organization on an ongoing basis. Periodically, clients and lawyers are contacted to gauge the status of the legal matter, collect closing information and pro bono hours, and offer additional assistance on new matters that may have arisen. In 2002, Community Legal Resources placed 135 individual legal matters with volunteer lawyers, generating an estimate 2,600 pro bono hours.

Interestingly, finding volunteer lawyers to assist community development organizations has not been a challenge, with the exception of the early stages of the program when initial contacts at law firms were just being made. By far the bigger challenge has been culti-

vating a steady stream of nonprofit requests for legal assistance, breaking nonprofit staff of the “do it ourselves” habit developed after years of operating with lean budgets and too-few employees. Taking the time to participate in nonprofit collaboratives and build trust in that community has helped Community Legal Resources staff institutionalize recognition of the need for and availability of quality pro bono business law services for nonprofit organizations.

Future Opportunities

Community Legal Resources is governed by a 15-member board of directors representing full-service law firms, financial institutions, the nonprofit development community, and other supporters of business law pro bono assistance for nonprofits. The board and staff are constantly monitoring trends within the industry that will create new opportunities for business lawyers to contribute their skills in ways that positively impact the quality of life in Detroit neighborhoods. Recently volunteer attorneys have become involved in the development of Community Legal Resources’ publications and trainings aimed at helping nonprofit organizations

avoid legal problems before they occur. Initiatives are also being explored that would involve volunteer business lawyers in the formation of community-based health centers and in assistance to providers of home-based child care.

1 Angela Zemboy has over 12 years experience working in Detroit’s community development industry as an urban planner, researcher and community organizer. Prior to joining Community Legal Resources in 1999 as the organization’s Program Manager, Angela evaluated Detroit’s Empowerment Zone as part of a Wayne State University research team, worked as a community planner and researcher with the Warren/Conner Development Coalition and Detroit Eastside Community Collaborative, and coordinated technical assistance to faith-based housing development organizations for the Michigan Neighborhood Partnership. A non-lawyer, Angela holds a Master of Urban Planning degree from Wayne State University and became Executive Director of Community Legal Resources in January 2003. Contact her at (313) 964-4130 or azemboy@michiganlegal.org. More information about Community Legal Resources is available at www.clronline.org.

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- **Financial difficulty:** As more nonprofits face challenging economic times, they often must consider strategies including mergers, sale of assets and even bankruptcy. A lawyer can help nonprofits plan the optimal strategy to address these challenges, negotiate with creditors and advise on the best options related to a bankruptcy or merger.

With the right legal assistance, CDCs are more likely to be able to address any legal challenge successfully — while also avoiding problems or penalties that could reduce their ability to deliver the services their constituents need.

The best first step for any legal service organization that plans to expand services related to pro bono business law for CDCs is to meet with leaders from these organizations in their communities to learn more about their needs. They should then carefully assess the resources and professional skills required by the CDCs they hope to serve, and compare findings to their existing legal services capacity. From there, it’s essential to develop a plan to identify the broader resources and additional pro bono lawyers necessary to fill in the gaps and position the organization to be a more effective intermediary for CED organizations.

While this may seem daunting, the need is so great in most cities that all participants — lawyers, CDCs and others — are more than willing to contribute to the effort and make the process work. According to more than one legal service insider, if you build it, they will come.

1 Prior to founding POA in 2000, Allen was with Lawyers Alliance for New York since 1984, and served as executive director from 1991-1999. A leading authority on legal and regulatory issues affecting nonprofits in the U.S. and overseas, Allen has served as an advisor to legal services organizations around the world and to government agencies in Hungary, England and the former Soviet Union.

Allen has represented hundreds of nonprofit organizations in a wide variety of legal matters, and has served on a number of nonprofit boards. He has co-authored numerous publications including “Getting Organized” and “Advising Nonprofits,” two of the most widely used resources on nonprofit law and management. Allen has also lectured nationwide on all aspects of pro bono business law services.

Allen graduated from the University of California/Berkeley and received his law degree from the University of California Hastings College of the Law in 1982.



CED: NOT JUST AN URBAN NEED

*By Phyllis Holmen, Executive Director¹
Georgia Legal Services Program*

One of our clients has — so far — built six affordable houses in an exurb of Atlanta where affordable housing is disappearing under the bulldozers for half-acre residential lots. Our client has more affordable homes under construction.

One of our clients in a county with 11,000 residents, almost 30% of whom have incomes below the poverty line, has developed an after-school program that offers computers to kids who have none at home. At night their parents can come in and learn to use the machines.

One of our clients in a county with a growing Latino population is providing social services and translation services.

One of our clients — in one of the smallest counties in Georgia — is working to develop an organization that will provide support services to parents whose children have been placed in foster care, to help those families reunite.

One of our clients — an organization composed of descendants of slaves on a barrier island off the Georgia coast — was at the table when the state of Georgia negotiated a deal with the institutional landowner of the remaining private land on the island, and the community's goal of preserving its heritage in the land was protected.

Many more stories could be told about our organizational clients in rural Georgia, but this is the story of how we built a successful “business law” practice over the last three to four years to be able to serve those clients.

Georgia Legal Services Program (GLSP) has been involved in community economic development work on and off for many years. When the money was plentiful, we would spin off a little work and train each other on 501(c)(3) applications and the like. We would have a few task force meetings. We would represent a few clients. When money got tight, we would retrench to the “crisis” work.

In the last four or five years...even though money has not been plentiful, we have taken advantage of several very fortuitous events and evolved a very comprehensive, intentional, and effective transactions practice for community-based organizations in Georgia

In the last four or five years, however, even though money has not been plentiful, we have taken advantage of several very fortuitous events and evolved a very comprehensive, intentional, and effective transactions practice for community-based organizations in Georgia outside metro Atlanta. It was a confluence of the stars, maybe.

It started with a lawyer we hired for a special project to represent kids with disabilities housed in state institutions. That evolved into representing more kids with special education problems. That evolved into working with parent groups that wanted their schools to be better. Those groups evolved into wanting their whole communities to be better — with affordable housing, job opportunities, child care, after school activities, cultural preservation, and more. We began to try to serve those interests as a way of addressing the “causes” of poverty, and not just the “crises” of poverty.

Among the key factors was the growing personal conviction of that lawyer — a former litigator — that litigation is a limited remedy whereas building community capacity has a potentially unlimited payoff. Since he had come in to GLSP on a special project grant, we were able to anticipate the expiration of that grant and see that he did not have a bushel of individual clients at

CED work requires that staff are skilled at developing collaborations of whatever sort is necessary to meet the client's needs.

its end, so he could be reassigned to group representation work. Our service area excluded metro Atlanta so our clients were always non-urban groups.

Next we were offered the opportunity to serve as one of two pilot sites for a project initiated by the American Bar Association Business Law Section with Ford Foundation funds to expand pro bono business law activity. Our unique hook was our rural focus and the fact that we were already doing some of this work. The question was whether we could get large metro Atlanta law firms interested in doing transactions work for groups out in rural Georgia. (The answer is a resounding "yes," but that is a story for another article.) That pilot project enabled us to leverage another planning grant from Power of Attorney to map out how to expand the pro bono work, which of necessity included expansion of work by GLSP staff, who found the clients and could serve as liaisons and support for the volunteer attorneys.

Finally, we had the opportunity to bring on board a National Association of Public Interest Lawyers (NAPIL(now Equal Justice Works)) Fellow who was in her second year of transactions work for rural community-based organizations, sponsored by Sutherland Asbill & Brennan of Atlanta, enabling us to double our full-time staff devoted to group representation. During all of this we grew from one lawyer supervised by the litigation director to two full-time lawyers, the Pro Bono Project director, and the executive director meeting regularly to develop and manage the work. Today the work encompasses activities by staff in at least five GLSP offices.

Management Challenges

Managing a rural CED project presents a couple of unique challenges. The attorneys and paralegals doing the work spend a lot of time on the road out of the office. Their resources are spread very thinly and the work demands a lot of them. A night meeting 100 miles away from the office requires thoughtful planning about how to make the days around that meeting productive for that and other clients that might be in the

vicinity. The supervisor must be willing to trust the staff attorney's judgment about how he or she is spending his or her time. Accountability is harder to maintain at a distance when the staff attorney may only be in the office a day or two a week.

On the other hand, many of the management challenges are unique to the CED practice itself, regardless of whether it is rural or in a city. In our case, supervisors had very little experience with transactions work and had to learn about the basics, as well as figure out the right questions about what work was being done, how it was being done, how much time it was taking, and the realities of representing start-up grassroots organizations. You do not get to sophisticated legal issues very quickly, but you do need to spend time helping the group learn how to effectively establish, plan, and manage its own affairs. Supervisors need to be comfortable with the slow pace of this process, and the fact that it does not seem like "legal work." It is in fact work that business lawyers do all the time: help refine the client's goal and then "do the deal," including identifying partners and resources, negotiating agreements and terms, satisfying legal requirements, anticipating and avoiding problems, and much more. Here again supervisors need to learn patience.

We had to work out the usual kinds of questions for a new kind of project. These included such issues as who our clients would be, what their needs were, what issues they face and we face in trying to be effective, and what our priorities should be. We spent internal meetings debating how to evaluate new clients and how rigorous we could be about their mission clarity and their potential for success. We developed priorities related to the nature of the clients' projects, their membership, and their processes; we set up file documentation guidelines; we drafted retainer agreements; and we discussed file maintenance standards. We developed standards for faith-based organizations, based on those used in Detroit. We debated ethical issues (and still are not through with that). We also are fleshing out measures of success that enable us to bring work for a client to closure and move on to the next client.

CED work requires that staff are skilled at developing collaborations of whatever sort is necessary to meet the client's needs. These include partnerships with banks; local, state, and federal government agencies; universities; other non-profits; potential funders; and more. In one case, we developed a relationship with a university social work department that brought us two social work students who worked for more than a year with a specific client community group, and followed

that with a several-month study that evaluated the effectiveness of our CED work. The report those students wrote has been invaluable in subsequent funding efforts.

The CED staff attorneys' enthusiasm for their work has led them to provide training and technical assistance to other GLSP staff around the state who are attracted by the opportunity to find long-term solutions to poverty by empowering grassroots groups to address their own community's problems. An early goal to enlist staff in every GLSP office for CED work has yielded to a more realistic goal of supporting interested staff on a one-on-one level as the opportunities for CED work emerge in any given part of our service area. It also became clear that many of our offices were in fact engaged in group representation but had not thought of it as unique or brought it to anyone's attention. We have tried to bring those efforts into our CED work group for mutual support.

As our activities expanded and attendance at our periodic CED group meetings grew, we began to feel the need to structure our work strategically to maximize its impact. Several months of drafting and debating, with the assistance of the social work student and a retired former corporate counsel, led to adoption of a set of definitions of terms (a useful debate in and of itself!) and the endorsement of a formal Strategic Plan with four main goals and numerous objectives and strategies. The four goals are (1) provide legal services to qualified groups to achieve community-based economic development goals; (2) identify and educate target communities about organizational methods to

achieve solutions to their problems and to meet community needs; (3) assist client organizations in developing expertise and enhancing skills to sustain and grow an effective organization; and (4) expand interest in and support for providing legal services to organizations engaged in community-based economic development activities.

Over the past 12 months, we have been able to bring in almost \$400,000 in new dollars devoted to the CED project, some in multi-year awards, lending stability to the work and enabling us to leverage additional support from new funders. We have learned new lessons at every step, and we are now working to make sure we are strategically allocating the resources we have assembled to maximize the impact of our transactions practice. We are seeing our community-based clients grow and become more and more viable, succeeding at one project and moving on to the next. It is an exciting time.

1 Phyllis Holmen currently serves as Executive Director of Georgia Legal Services Program (GLSP), a position she has held since June 1990. GLSP is a non-profit law firm that provides free civil legal services to low-income Georgians who live outside the metro Atlanta area, through twelve locations throughout the state. Approximately one million persons are potentially eligible for GLSP services. Phyllis began her legal career with GLSP following graduation from the University of Illinois College of Law.

Phyllis can be reached at Georgia Legal Services Program, 1100 Spring St., NW, Suite 200-A, Atlanta, GA 30309, 404-206-5175, 404-206-5346 fax, pholmen@glsp.org.



PRO BONO BUSINESS LAWYERS: PARTNERS FOR COMMUNITY CHANGE

*By Deborah Austin, Director, Community Economic Development Pro Bono Project¹
DC Bar Pro Bono Program*



The Community Economic Development Pro Bono Project (“CED Pro Bono Project”) was established in 1998 by the DC Bar Pro Bono Program to mobilize business lawyers to provide free legal assistance to community-based non-profit organizations and small disadvantaged businesses

in the District of Columbia. More than two hundred organizations have received free legal services since the Program’s inception. Sixty-five non-profit organizations have been matched with teams of business lawyers in law firms or corporate offices for long-term legal assistance. The balance of these matters, a combination of small start-up non-profits and micro-businesses, were placed through neighborhood clinics for short-term help with discrete issues. A fifteen member advisory committee meets regularly to guide the policy and resource development activities of the Project. This standing committee of the DC Bar includes transactional attorneys with a range of business law expertise, a law professor who directs a community development law school clinic, and representatives of funders and community-based development organizations.

The CED Pro Bono Project delivers corporate, real estate, tax, employment and intellectual property law advice and representation. The project started with a focus on outreach to community development corporations and other established economic development entities. A strategic planning process in 2001, funded by Power of Attorney, led to an expanded programmatic emphasis on childcare and healthcare organizations and resident-sponsored affordable housing development projects¹.

The Model: Long Term/Full Service Relationships

Our general goal is to obtain a commitment from a law firm to provide ongoing pro bono assistance to the

non-profit on a range of different legal issues and for an extended period of time. This is distinct from “matter by matter” placement. Surveys conducted during the planning phase of the Project indicated that non-profits in DC had some success in finding individual lawyers to work on individual matters as they arose, but had great difficulty establishing an ongoing, full service, relationship with a firm to provide legal assistance that could not be funded through a particular transaction’s legal fees’ line.

Obviously, in pro bono as well as in commercial representations, an extended engagement encourages the legal team to deepen their understanding of the client’s legal and business needs, which pays dividends over time for both parties. The pro bono team has an opportunity to develop a sense of camaraderie and expertise regarding the organization’s business and legal needs. Ongoing relationships with the non-profit and involvement in special projects, ground-breakings, awards dinners etc., increase the firm’s visibility and builds goodwill in the community which strengthens the firm’s “brand.” The client reaps tremendous benefits from working with a legal team that knows its mission and programs. The firms are better positioned to spot issues, and provide preventative legal support and access and connections in the broader business community.

Part of our role as the intermediary is to encourage and support this full service approach in whatever way we can. An example of this model can be seen in the pro bono relationship which Latham & Watkins has developed with East of the River Community Development Corporation. This match was made in 1998 and is still going strong.

There are challenges to implementing this model for an intermediary or referral agency. It takes longer to make a match with a firm for comprehensive legal services than to find a single attorney to handle one matter. Once the match is up and running, it can be more difficult to monitor progress and assess impact, since there

are not really any natural points of intervention (i.e., client does not call in for more service because firm is in place long term).

We address these challenges in several ways. 1) We make every effort to get to know the organization's mission and program plans as a part of the screening and intake process. We look beyond the legal request to see if there are other current and pending legal issues that are suggested by the group's short term and long term organizational plans. 2) We go to every initial meeting of the client and the law firm. This face-to-face contact sets the stage for the Project to facilitate and support the relationship that is established. 3) We send a written client satisfaction survey to all client organizations and e-mail questionnaires to law firms at least annually. This year we are doing an additional survey to a small number of clients and an additional mailing to attorneys for case updates. 4) We offer our support to law firms by way of legal research and updates on trends or developments pertinent to the issues they are working on for the client.

The benefits of brokering long term full service relationships are the great leverage of staff time. We estimate conservatively that our \$200,000 budget leverages more than a million dollars of volunteer time each year. It also improves our ability to strategically target our services. Because we are working holistically, we view intake and referrals to firms through the lens of community impact and non-profit organizational development, as much as we do through the lens of individual legal tasks. We also are able to keep intake open and expand our base of potential client groups because we are not recycling a large number of matters from the same organizations. A part of our success to date has come from our intention to think broadly about the issues the city faces, find out who is working on them and provide legal services as a value added component to the non-profits that are already trying to make an impact. Our Project and the firms and lawyers who participate are motivated by a desire to have a positive impact on the community and use pro bono legal assistance to make progress on important organizational goals and high impact projects for non-profit clients.

The Power of Partnerships

Carebuilders

In terms of economic development activities that alleviate poverty and strengthen communities, the development of affordable quality childcare stands out as a high priority in the District of Columbia. Forty percent of the city's children live in poverty and less

than half of the children who qualify for subsidized care receive it. The shortage of affordable, quality care is particularly acute for children under the age of two.

In late 2001, the CED Pro Bono Project joined a coalition of other technical assistance providers to form the Carebuilders Consortium. A major goal of the project is to assist childcare centers to become loan ready in order to obtain financing to expand their facilities to care for more infants and children under two. The Pro Bono Program receives referrals for case placement. Six of the thirteen centers that the Project is working with were referred to us through the Carebuilders Consortium. We partnered with a law firm on a day-long training for volunteer lawyers on the legal and business aspects of running a non-profit day care center.

The CED Pro Bono Project delivers corporate, real estate, tax, employment and intellectual property law advice and representation.

The DC Medical Homes Project

The DC Primary Care Association (DCPCA) is leading the charge to expand the safety net for the city's medically vulnerable populations. According to DCPCA's research, the city has less than half of the primary care space that is needed. This gap in primary care is filled by excessive emergency room visits, which places a significant strain on hospital resources available to handle true emergencies. The CED Project has joined as a partner group in the initiative known as The Medical Homes Project to expand and improve physical facilities, business practices and systems in the primary health care delivery system. The Project paired Crowell & Moring with DCPCA to create the legal structure that will house the new program. Once the Medical Homes Community Development Corporation is established, legal services provided through the CED project will be a part of the menu of technical assistance offered to community clinics. Right now, an HIPAA compliance training for health organizations identified by DCPCA is scheduled. Powell Goldstein LLP will provide the faculty and members of the DC Bar's Health Law Section will provide follow-up consultation where needed. The

CED Project is the central clearinghouse and coordinator for all legal service and legal information activities.

Tenant-Sponsored Affordable Housing

The rental housing conversion and sales laws in the District provide a process for tenant associations to submit bids to purchase apartment buildings that are placed on the market for sale. The real estate market is rapidly appreciating in the inner city after years of disinvestments and deterioration. The tenant purchase provisions of the DC Rental Housing Conversion & Sale Act provide tenants with a measure of control over the disposition of their apartment buildings by requiring housing providers to give residents notice of their intent to sell. The tenant association also has a statutory right of first refusal and can compete with third party offers. Unfortunately, in buildings with a significant percentage of low-income and immigrant households, the leverage provided by these statutory safeguards is rarely exercised unless the group is able to quickly identify sources of technical, legal and project finance assistance. The CED Pro Bono Project works in partnerships with tenant organizers and technical assistance providers to identify tenant associations that are trying to purchase their building or have other non-litigation legal needs. The Project has matched counsel with ten associations to date, and we are receiving a steady stream of requests for assistance.

Legal Service Providers

Legal service providers are also an important component of the partnerships that we build. Several of our

The emphasis on strategic deployment of pro bono resources, community outreach and case screening, and volunteer support and training are critical to effectively marshalling pro bono resources. We are thankful to our volunteers and fortunate to be working in a bar that has such a long and rich pro bono tradition.

matches, especially the tenant association purchases, have been between the client, a legal service lawyer and attorneys from a private firm. The expertise of the legal service lawyers in the area of eviction defense and subsidized housing regulation is critical to protecting the tenants against involuntary displacement during purchase negotiations with the seller and other developers.

Legal service offices that wish to engage in more community development transactional work have an important base of knowledge and expertise. The knowledge of low-income community needs and assets is a foundation for building strong partnerships with private law firms to carry out high impact non-litigation legal work. Attorneys who know welfare to work rules are perfectly situated to help non-profits that want to develop job-training programs for TANF recipients. Attorneys who understand the child welfare regulations and bureaucracy have an edge when advising youth service organizations about possible government contracts and funding sources. For almost every problem that legal service attorneys battle, there is a response that can be developed through a community improvement initiative. The specific business law expertise needed to develop the building or draw up the partnership agreement can be recruited through the pro bono relationships with the private bar to compliment the vision, strategy and expertise that exists in the legal services program.

What's on the Horizon?

Despite our general economic slowdown (or perhaps because of it), the interest in small business formation by entrepreneurs in DC has never been stronger. We are revamping our neighborhood clinic model. We are planning to sponsor a legal help desk within non-profit business counseling centers to address the burgeoning demand for legal information for small and disadvantaged business entities. Our plan is to tap law firms to staff the legal help desk twice a month for a 6-12 month period. The lawyers would provide brief advice and consultation on business formation, licensing requirements, taxation and document review.

The CED Project will tap a law firm to assist in the development of a resource manual for volunteers that has legal forms and documents and an overview of relevant local law and regulation. We plan to pilot this effort this fall at the small business center of the Anacostia Economic Development Corporation. As we gain experience with this approach, we will be able to replicate it in community development corporations in other parts of the city. *(continued on p. 53)*



LEGAL PEDAGOGY AND ECONOMIC JUSTICE

By Professor Scott L. Cummings¹
UCLA School of Law



Can legal education play a role in advancing economic justice? In many respects, the idea that legal education can contribute to a significant reordering of economic and political priorities seems contradictory. Indeed, legal education is commonly associated with a type of professional socialization that makes students more like-

ly to accept existing institutional arrangements and less likely to think about how law reinforces inequality. Legal education is, in this sense, a mechanism of acculturating elites rather than training activists.

Yet I suggest that legal education can in fact promote and sustain meaningful economic reform by teaching law students to practice *justice in action*. This conception of legal pedagogy urges students to integrate theoretical insights and practical commitments; to fuse critical analysis with political engagement; and to connect legal advocacy to social movements. This means that students must not only learn to speak the language of law, but to understand that law must be used in the service of justice. It also means that students must learn not only how to deploy the tools of community economic development (CED) practice, but to do so in a way that reconstructs the very nature of practice itself. In this essay, I use my experience teaching the Community Economic Development Clinic at the UCLA School of Law to reflect on how legal education can construct and inform an economic justice agenda.

Community Economic Development: An Economic Justice Perspective

The conventional view of CED has emphasized the importance of revitalizing economically disadvantaged neighborhoods. The notion is that community-based organizations and their legal services lawyers can empower geographically discrete localities by building

affordable housing, fostering community-controlled business enterprises, and providing key social services such as job training and child care.

It is without question that this conception of CED has produced significant gains for low-income communities — neighborhood-based organizations and advocates have been critical to increasing the supply of affordable housing, expanding the pool of jobs, and directing private sector investment to low-income communities. Yet, despite the growth of CED programs over the past decade, these local interventions have not succeeded in seriously challenging the intransigence of urban poverty and inequality. This is because neighborhood-level poverty is not merely a product of local economic activities, but rather the result of decades of accumulated political choices. That is, government policies subsidizing freeways and home mortgages, fostering discriminatory lending practices, and permitting local jurisdictions to hoard property tax revenues have been the main contributors to the current regime of racially and economically segregated urban space. The conventional approach to CED, which does not respond directly to these political determinants of poverty, cannot adequately redress urban inequality.

In response to the limitations of the conventional approach, poverty lawyers are beginning to view community economic development through the lens of economic justice. This approach to CED recognizes the need to connect community-based revitalization strategies with a broader reform agenda that brings together lawyers and other community stakeholders to promote greater equity in urban development. This model of CED departs from the conventional approach in a number of ways. I sketch here some of the main distinctions.

Regionalism

For one, the economic justice approach to CED seeks to link local communities and broader regional dynamics. This means that the goal of CED is not just

fostering local businesses or augmenting the community housing stock, but dealing directly with the interplay of federal and local policies that have promoted spatial inequality. We can see examples of this regional orientation in the work of legal services lawyers advocating for greater equity in regional transportation systems and promoting local hiring in regional public works projects.

Coalition-Building

In addition, an economic justice approach emphasizes the importance of representing broad-based coalitions in order to ensure that the perspective of low-income and underserved communities is represented in crafting effective CED strategies. Coalitions of labor unions, faith-based institutions, and community-based organizations have been critical players in a number of economic justice campaigns. For instance, they have worked to pass living wage ordinances and craft innovative job training programs for low-income workers. Coalitions have also played an important role in promoting greater accountability in redevelopment projects and have augmented resources for affordable housing. It is important to note that these economic justice coalitions are self-consciously multi-racial, underscoring the importance of using CED to address the nexus between race and poverty.

Accountability

Finally, economic justice takes seriously the notion of community accountability. It does this by leveraging the political power of community coalitions to create enforceable mechanisms that target the benefits of development to low-income residents. For instance, in the area of redevelopment, advocates have worked to carefully track the type and quantity of public subsidies that businesses receive and to link those subsidies to tangible community outcomes. The most significant recent example in this regard is the success of the Figueroa Corridor Coalition for Economic Justice, a broad-based coalition of community organizations, neighborhood developers, unions, and environmental groups that won a comprehensive community benefits agreement from the developers of the planned expansion of the Staples Center in downtown Los Angeles. As part of the accord, the developers of the proposed “sports and entertainment complex,” as well as project tenants, have agreed to hire local residents for seventy percent of the 5,500 jobs to be created by the project and to pay the workers living wage.

Institutional Collaboration: The UCLA School of Law Community Economic Development Clinic

How can law schools promote economic justice? One way is by creating university-community collaborations designed to foster economic justice initiatives. Recently, one of the main vehicles for these collaborations has been law school clinical programs, which focus on fostering skills-based legal training in a variety of different institutional settings. Clinics first emerged to teach law students traditional litigation skills and have historically focused on civil litigation topics. In the last ten years, however, CED clinics have become more prominent, as law schools have sought to convey transactional skills while promoting economic justice in low-income communities. There are now over twenty CED clinics around the country. These clinics have a range of different organizational structures — some are in-house clinics (that is, the law school clinic directly represents clients) while others use simulated exercises to teach transactional skills. The clinics also represent a wide variety of client groups — some focus exclusively on small businesses, others on nonprofit housing developers, others on a mix of different community organizations.

The CED Clinic at the UCLA School of Law was initiated this past spring. Its goal is to implement the *justice in action* approach to clinical education by promoting the application of legal principles to real-world problems and using the university as an institution to positively impact the surrounding communities. It does this through a multilayer pedagogic approach.

Community Collaboration

First, the Clinic is designed to create ongoing collaborative relationships with area legal services organizations engaged in CED work. Working in connection with local CED advocates, Clinic students provide direct assistance in the areas of corporate, real estate, and tax law to nonprofit and for-profit entities engaged in neighborhood revitalization projects. Thus, the Clinic is constructed upon what is known as a “field placement” model with the students spending at least one day per week physically located at a legal services office. This semester, the students worked with Public Counsel Law Center, the Legal Aid Foundation of Los Angeles, and Neighborhood Legal Services on a variety of projects. The students were involved in forming a cooperative for local gardeners, protecting the rights of tenants displaced by redevelopment, drafting an affordable housing tax credit agreement, structuring limited liability

companies for small business entrepreneurs, and establishing nonprofit development organizations.

The benefit of the field placement model, particularly in Los Angeles, is that students get the opportunity to leave campus to work on-site with CED attorneys engaged in a variety of projects. The work is therefore “real”: students are typically engaged in live-client representation and thus experience the messiness of real world practice. Their application of legal skills, moreover, advances the projects of actual community-based clients. Legal services organizations, in turn, are able to use the volunteer services of law students to staff some of their cases.

In-Class Exercises

The second component of the Clinic is the use of structured in-class exercises to extract more general skills and principles that can be applied in a variety of transactional contexts. This semester, for example, the students conducted exercises related to client interviewing, counseling, drafting, and negotiation. The exercises were structured around an ongoing narrative involving a fictional client with representative CED issues. The client, the Los Angeles Community Development Corporation, took the students through a variety of projects in the areas of microenterprise, nonprofit business ventures, and affordable housing. The goal of the exercises was to teach students about the particular transnational issues that arise in the CED context. Specifically, the exercises addressed the problems of client accountability (Who speaks for the client?), client capacity (Can the client carry out its proposed projects?), and client constraint (How much leverage does client have in designing and implementing its projects?).

Critical Analysis

The third component of the Clinic is a critical analysis of CED policies and programs. This component is focused on exploring a range of historical, theoretical, and empirical literature on CED, which is used to frame a critical discussion about the efficacy of CED as an antipoverty tool. Los Angeles, which has been the site of innovative multi-group economic justice campaigns, serves the focal point of the classroom analysis. This semester, for example, we had guest speakers from the Los Angeles Community Redevelopment Agency, a community-based organizing group, and a domestic worker cooperative. We took a field trip to a job development organization in East Los Angeles and read intensively about the Los Angeles Community

Development Bank. Through these projects, the students not only learned the substantive CED legal and policy framework, but also reflected on its effectiveness and limitations.

Conclusion: Practicing Economic Justice

I have found that by fusing direct advocacy, classroom exercises, and critical analysis, clinical legal education can promote an economic justice agenda. One way it does so is by creating direct service relationships with clients engaged in economic justice initiatives. In the Clinic, for example, one student was able to assist an economic justice organizing group to promote accountable development practices in separately incorporated jurisdictions in Los Angeles County. To be sure, most Clinic students engaged in conventional CED representation around small business development, affordable housing, and nonprofit incorporation. Yet this work — valuable in its own right — also provided a stepping off point for future economic justice advocacy. Thus, as a result of the class, one student is working closely with the Figueroa Corridor Coalition for Economic Justice to chart an anti-gentrification strategy that includes establishing community land trusts. Another student is working with an anti-sweatshop organization to devise a regional workforce development project to move dislocated garment workers into living wage jobs. A third student is working to initiate a collective day laborer advocacy project, while another is establishing a transnational economic development association that invests immigrant remittances in job creation projects. In this way, clinical pedagogy can create a forum within which students can critically discuss and reconstitute conventional CED practice.

1 Scott Cummings teaches Business Associations and Community Economic Development. His scholarship focuses on the application of business models to redress poverty and the role of lawyers in social change processes. In law school, Professor Cummings served as executive editor of *the Harvard Civil Rights-Civil Liberties Law Review*. He clerked for Judge A. Wallace Tashima of the Ninth Circuit Court of Appeals and Judge James B. Moran of the Northern District of Illinois. In 1996, Professor Cummings was awarded a Skadden Fellowship to work in the Community Development Project at Public Counsel in Los Angeles, where he provided transactional legal assistance to nonprofit organizations and small businesses engaged in community revitalization efforts. Professor Cummings' recent articles on community economic development and multi-disciplinary advocacy for the poor have appeared in the *Stanford Law Review* and *UCLA Law Review*.



REPRESENTING NON-PROFIT HOUSING DEVELOPERS

*By Jeffrey Segal, Staff Attorney¹
Legal Aid Society, Louisville, KY*

Last year, the Community Development Program (CDP) of the Legal Aid Society provided services to over 150 community-based non-profit organizations in metropolitan Louisville, Kentucky, that include a number of organizations with a focus on low and moderate income housing development. Some of the most important work of the CDP is the representation of local non-profit housing developers. The CDP operates as corporate counsel to these groups providing a wide range of services, representation, advice and training on a variety of issues, including new single-family and multi-unit housing construction, rehabilitation of older homes, advocacy around low income housing issues, and real estate transactions.

These groups vary in origin, structure, and program. They include a subsidiary of a local community ministry, a specialized committee of a neighborhood association, a spin-off of a senior citizen resident organization, and a number of independent community development corporations.

The projects that they have pursued have also been quite varied. As examples, I provided assistance in the creation of a non-profit to provide replacement housing for some families displaced by airport expansion resulting in 18 houses being built on land acquired with a local government grant from the Catholic Archdiocese. Another project involved the acquisition of a large vacant school building in a predominantly African-American neighborhood from the county Board of Education which has been converted to senior citizen rental housing. Several others, including the neighborhood association and the independent developers are now building in-fill housing.

Non-profit housing developers must deal with all of the organizational and structural issues confronting other tax exempt, non-profit groups. If they are new organizations they need to be incorporated, a structure created, including adoption of bylaws, and an application to the IRS for a 501(c)(3) determination needs to be prepared and filed. In addition, there are several ele-

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ments of this process that are specific to non-profit developers. The IRS has long been very cautious about providing 501(c)(3) status to housing developers. As a result there are a complex set of guidelines and tests that must be met in order to receive a 501(c)(3) determination.

It is also critical to the success of the organization to pay attention to the composition of the board of directors. In addition to including representation of the views of the constituency that the group is servicing it is important for the board to include expertise of use in the construction and planning process such as engineers, accountants, retired contractors and real estate agents, carpenters, and plumbers.

The addition of a real estate practice, even one representing non-profits requires both the acquisition of resources and the development of expertise in areas of

the law not normally handled by legal service providers. Books with instructions and advice as well as software providing model contracts for sale, deeds, mortgages, and closing statements, construction contracts, rental agreements and other documents will be needed in the library. Pro bono assistance may be necessary.

The client organizations also can tap in to available resources, particularly financial. Most local governments receive federal funds for housing development. The federal HOME program is one such source. The HOME program specifically requires that 10% of the grant to the local government must go to non-profit developers designated as Community Housing Development Organizations (CHDOs). There is a three-fold benefit to the CHDOs. The first is that it provides interest free loans for construction. Secondly, at the conclusion of the project, a portion of the construction money can be kept by the CHDO as a developer's fee. Finally, the low-income buyers are entitled to receive forgivable second mortgages which significantly bring down both the cost of the house as well as the monthly mortgage payments. A disadvantage in participating in the HOME and similar programs is that the transactions become a lot more complex than run-of-the-mill real estate deals and require knowledge of regulations and requirements not generally known by private practitioners.

A typical project begins with the non-profit reviewing its options and creating a plan of action. This includes assessing the neighborhood's housing stock and identifying available parcels. In some cases empty lots or lots with boarded houses, prime target for new housing, is owned by local government. As in Louisville, many other localities make these lots available, at a minimal price to non-profits, making title acquisition much simpler than if the property needs to be bought from a private land-owner through back-and-forth negotiations. In either event, purchase requires production of legal documents, identifying title problems, and negotiations with the seller.

In urban areas, because of the history of inner-city neighborhoods, prior ownerships, and generations of construction and demolition these properties quite often come with title problems. These can run the gamut including delinquent taxes, liens, various claims on the property, and discrepancies in metes and bounds descriptions.

Vacant inner-city properties often contain serious environmental problems resulting, among other things, from buried remnants of prior demolitions containing lead from lead-based paint, asbestos, and similar con-

Specific legal services provided to eligible organizations include:

- Preparation of articles of incorporation, bylaws, and 501(c)(3) or (4) applications
- Preparation of corporate legal documents
- Advice and training in organizational development
- Assistance with special projects
- Representation before the IRS
Training and advice on federal, state, and local statutory requirements for non-profits such as lobbying rules and restrictions
- Real estate transactions and financing
- Help with zoning issues
- Advice on personnel matters and employment law
- Litigation on utility rate cases

Eligible organizations include community-based groups in low to moderate income areas and groups primarily composed of low-income members or which primarily serve low-income households.

taminants. Non-profits need to conduct activities designed to identify any such problems and they need to be ameliorated before construction can begin.

As the lot is being made ready, construction plans need to be prepared and, if the non-profit does not have the capacity, an RFP drafted and issued to secure the services of a contractor and the preparation and execution of contract.

If at all possible, pre-sale to a qualified buyer is preferred since it avoids the non-profit having a completed house on its hands while the home is being marketed and it provides the buyer with an ability to customize features.

As the house is being built it is essential that the non-profit acquire, through experienced Board members, volunteers, or through paid services, the ability to oversee construction to ensure that it is being built as promised.

In general closings on house sales are time consuming and tedious and require the production of a large number of documents. Since the non-profit is the seller, in almost all cases, the closing will be handled by the attorney representing the bank or mortgage company. Even given this there are several things of which to be aware. The sales may involve additional documents relating to government programs, such as HOME, that

are involved, and, state statute, as is the case in Kentucky, may provide special benefits such as exemption from the real property transfer tax. Many closing attorneys are not familiar with these matters. This means that it is important to receive from the closing attorney a copy of the closing statement prior to the closing to review in order to avoid errors. A little time spent in preparation will go a long way in ensuring that the closing is handled as smoothly as possible. For the buyer this is particularly important since closing are, by their nature, confusing and anxiety producing with many legal documents quickly going from person to person all requiring the buyer's signature.

One of the most difficult aspects of non-profit housing development is marketing. It requires special efforts to reach the target market since they are often not individuals or families in touch with real estate agents or in the mainstream housing market. Marketing partners may include social service organizations, churches and community ministries, banks with active community reinvestment programs, neighborhood associations, and advocacy groups.

The non-profit also needs to be prepared to provide or refer potential buyers to other agencies to familiarize them with the complexities and pitfalls in buying and owning a home. In particular, quite often potential buyers will need to go through credit advice and repair programs in order to make them qualified for a mortgage.

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We anticipate that this will provide better coverage in the community than our former clinics, which were only held three times a year. Attorneys will be able to make a difference without making a commitment to ongoing representation, although, taking matters back to the office for ongoing assistance will certainly be an option. In the event that the program is replicated we will be able to mobilize a large cadre of lawyers that will help a broad array of organizations to receive comprehensive business assistance, including legal help, at one location.

Conclusion

Business lawyers can play an important role in community empowerment and non-profit capacity building. The presence of a pro bono intermediary organization like the CED Pro Bono Project is an element in the success of these efforts. The emphasis on strategic deployment of pro bono resources, community outreach and

Throughout this process legal services staff will be called on to provide advice, assistance in negotiating agreements, and preparation of numbers of required legal documents. This is particularly true in the final step: representing the non-profit in the closing.

For both the members of the non-profit and the legal services staff working on these projects the presentation of the keys to a new home to the buyer makes the efforts worthwhile.

As important as or maybe because these efforts are so important in the lives of our clients they are often fraught with controversy. Efforts to create low income housing, even low rise and scattered sit are regularly met with hostility from other neighborhood residents. This is particularly true of rental housing where anti-tenant biases bubble to the surface. These problems are particularly difficult to deal with because they are rooted in conflicts among neighborhood residents and must be handled delicately.

Work with non-profit housing developers in these circumstances will involve legal services staff in preparing them to meet these challenges and to be active and aggressive advocates for them and the people they serve.

1 Jeffrey Segal has been a staff attorney in the Legal Aid Society's Community Development Program since December 1980. He has worked with many community-based organizations providing a wide range of services to them and has represented many of the areas non-profit housing developers.

case screening, and volunteer support and training are critical to effectively marshalling pro bono resources. We are thankful to our volunteers and fortunate to be working in a bar that has such a long and rich pro bono tradition. We look forward to expanding our community development efforts. We will continue to broker strong community partnerships and provide interesting and meaningful pro bono opportunities for business lawyers in the DC Bar.

1 Deborah Austin is the Director of the Community Economic Development Pro Bono Project a program of the DC Bar Pro Bono Program, where she coordinates the delivery of non-litigation legal assistance to community based non profit organizations. Prior to joining the Bar staff Ms. Austin was the Interim Director of the National Neighborhood Coalition and the Legislative and Policy Director of the National Low Income Housing Coalition.



COMMUNITY ECONOMIC DEVELOPMENT AS A CATALYST FOR INNOVATIVE FUNDRAISING

By Kathleen Sheldon, Director of Development, and Nona Liegeois, Managing Attorney, Community Economic Development, Legal Aid Foundation of Los Angeles

With help from the Legal Aid Foundation of Los Angeles, the tenants of Comunidad Cambria took ownership of their overcrowded and dilapidated slum building and transformed it into one of the first privately owned Los Angeles apartment complexes to be bought and rehabilitated by tenants. City officials once deemed this complex in the Pico-Union district “one of the worst” substandard buildings in the city. Home to 47 families who dutifully paid rent for inferior apartments that had numerous housing, building and safety code violations, the building had attracted squatters, drug and gang activity, crime and prostitution. Through the Capacity Building Project, Community Economic Development advocates helped the tenants form a non-profit group, and prepared and negotiated contracts for construction, development, architectural design, financial consultation, and funding. Now, 40 low-income families, including 12 of the original tenant families, are living in the building’s newly renovated, spacious and one- and two-bedroom units.

Community economic development activities have been an integral part of the advocacy plan of the Legal Aid Foundation of Los Angeles (“LAFLA”) since 1987, when the Community Economic Development (“CED”) unit was formally organized with one full-time coordinator and two part-time staff. Five years later, in the wake of the April 1992 civil disturbances in Los Angeles, the unit was expanded to six full-time CED specialists, with the help of a major grant from the Ford Foundation. Since then the CED unit has continued to sustain its service capacity and address emerging community needs through a variety of innovative funding sources.

The April 1992 civil disturbances graphically illustrated the desperate problems facing Los Angeles’ most disadvantaged neighborhoods, and the critical need for community-based initiatives that would combat the root causes of poverty and have a lasting, positive impact. The Ford Foundation was seeking to partner

with local organizations in innovative projects that could address this need. The Ford Foundation awarded LAFLA a pilot grant of \$400,000 to launch the Capacity Building Project, geared to help existing and emerging grassroots organizations function independently and successfully by providing them with practical training on leadership development and capacity-building issues as well as technological and legal assistance. The Foundation subsequently awarded a follow-up grant of \$100,000 to sustain the project beyond its initial start-up period.

The Capacity Building Project was appealing to the Ford Foundation because it was unique in several ways. While other organizations were working with community groups in specific arenas, only LAFLA was providing comprehensive and specialized developmental assistance to a broad range of community-based organizations representing the many diverse ethnic and cultural populations that make up contemporary Los Angeles. The goals and methods of the proposed project sought not to manage the client organizations’ operations for them but to help the groups become self-sufficient and operate independently. No fees would be charged to client groups; services would be free of charge to all that met Legal Services Corporation eligibility requirements. Lastly, the project, if successful, could be replicated in other disadvantaged communities.

The core component of the Capacity Building Project was a “Practical Approaches to Community Economic Development” monthly workshop series covering a variety of topics: incorporation issues, organizational management, funding options, and accounting and fiscal management, to business development, microbusiness assistance, cooperatives, job creation and training, child care and youth centers, and affordable housing production and preservation. Limited follow-up technical assistance, and referrals to other resources and services, was provided as needed to established groups needing less intensive help. Intensive technical

assistance was provided to selected emerging community groups to help them form, manage, fundraise and implement community economic development strategies as functioning non-profit organizations.

More than 200 groups have benefited from the Capacity Building Project in the decade since its inception. The success of client groups such as Comunidad Cambria has provided specific, measurable outcomes that LAFLA has used to effectively demonstrate to potential funders how this capacity-building training and transactional legal assistance can bring lasting improvements to low-income communities and is deserving of their partnership and investment. In this way, LAFLA has been able to build on the project's success to leverage other sources of funding not only to continue these existing services but also to expand advocacy efforts to meet emerging needs.

For example, LAFLA received Americorps funding for six years to support five National Service Legal Corps members who helped staff the Capacity Building Project (several of whom have gone on to become regular LAFLA employees). We also have tapped funds targeted toward providing a specific kind of service that have helped supplement the cost of providing this broad-based training for community-based organizations no matter what their focus. For example, we received a Child Care Capacity Building Project grant from the California State Department of Education and the Mexican American Opportunity Foundation to provide training and assistance to current and prospective child care providers in Los Angeles County. A grant from the federal Housing and Urban Development Department funded legal and technical assistance to affordable housing developers and nonprofits interested in developing affordable housing and engaging in economic revitalization activities in their communities.

On new fronts, grants from the Bank of America Consumer Education Fund underwrote the provision of consumer education and debt crisis counseling workshops, developed in response to the requests of several of our nonprofit groups who reported an urgent need for such services among their clients. Funding from California's Equal Access Fund enabled us to develop a Removing Barriers to Self-Sufficiency Project (helping

The goals and methods of the proposed project sought not to manage the client organizations' operations for them but to help the groups become self-sufficient and operate independently.

low-income people expunge their criminal records and obtain their driver's licenses so that they can seek employment opportunities) and a Small Business Legal Assistance Project. The Boeing Company and Northrop Grumman have awarded corporate foundation grants to launch a new Home Advantage Initiative, an outgrowth of CED affordable housing advocacy that seeks to help low-income individuals into homeownership opportunities and rehabilitate sub-standard multi-family buildings into quality affordable housing. In collaboration with other groups, we are seeking funding from the California State Department of Transportation, Division of Transportation Planning, for a transit-related Environmental Justice Project to involve minority, limited English proficiency, and low-income transit riders in short- and long-term transportation planning processes in Los Angeles County.

We have also "marketed" our successes in community economic development in other ways, using CED stories in our annual report, program video and website, and as the focal point of individual donor appeals and law firm campaign supporting materials.

Finally, LAFLA is taking this idea into new areas, exploring the potential of using community economic development advocacy to provide a consistent "fee-for-service" funding stream that will augment our general operating revenue sources. A key part of the Small Business Legal Assistance Project is now providing individual legal assistance to low to moderate-income small business entrepreneurs on a sliding fee scale basis. And today we are exploring the notion of contracting with unions to provide legal services to their local memberships.