



Helping Nonprofits Lease, Sell, Buy, and Develop Real Estate

For nonprofits that do not regularly engage in real estate transactions, the language of brokers, lenders, appraisers, engineers, surveyors, architects – and their attorneys – may need translation. Lawyers Alliance staff and volunteer attorneys are available to advise nonprofits on real estate financing, contracts, and other legal issues. This work includes property sale and acquisition; construction and permanent loan closings; low-income housing tax credit deals; architect, general contractor, and property management agreements; and joint ventures with nonprofit and for-profit entities.

Purchasing Real Estate for Affordable Housing

We can help organizations to develop affordable housing and to construct and rehabilitate supportive housing for special needs populations. Lawyers Alliance clients have created thousands of units of affordable housing with financing from city, state, and federal agencies as well as equity from tax credit syndicators.

Case Example: Lawyers Alliance and volunteer attorneys from **Chadbourne & Parke LLP** helped **CAMBA Housing Ventures** with the Morris Manor supportive housing project in Brooklyn by forming an affiliated corporation to hold title to the project, reviewing and negotiating construction loan documents, negotiating a partnership agreement with an equity investor, and reviewing title and survey work. Located on Flatbush Avenue, this project will provide 46 units of permanent affordable housing for low-income individuals with psychiatric disabilities transitioning from shelters. The ribbon cutting ceremony will take place on October 2, 2008.

Office Space Leases

Nonprofit organizations face many challenges when leasing office space, such as budgeting for operating costs to accommodate funding constraints and

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Lawyers Alliance Clients Score High in Nonprofit Excellence

Lawyers Alliance for New York congratulates the winners of the *New York Times* Second Annual Nonprofit Excellence Awards. The Nonprofit Coordinating Committee of New York and the New York Regional Association of Grant Makers joined the Times Company in June in presenting the awards to four winners, including three Lawyers Alliance clients, Community Health Action of Staten Island, Harlem RBI, and Ifetayo Cultural Arts.

Community Health Action of Staten Island won for Overall Management Excellence because of its successful response to emerging communities by initiating new programs, modifying its mission and actively seeking feedback from clients. The organization improves the lives of those challenged by health disparities related to poverty, discrimination, and lack of access. Lawyers Alliance is assisting the organization with amending its certificate of incorporation.

◀ **Harlem RBI** won for Excellent Communications and was praised for board governance and leadership, in particular its

use of a Board Member Report Card that resulted in a 20 percent increase in board attendance. The organization uses the power of baseball and softball teams to help inspire city youth to recognize their potential and realize their dreams. Lawyers Alliance staff and volunteer attorneys have assisted Harlem RBI on employment, real estate, intellectual property, and contract negotiation matters.

Ifetayo Cultural Arts won for Excellent Culturally Based Management Strategies due to its strong focus on results and online date-driven tracking system, which allows parents, teachers, and community members to track student progress. The organization is dedicated to supporting the creative, educational and vocational development of youth and families of the Flatbush community in Brooklyn. Lawyers Alliance staff and volunteer attorneys have assisted Ifetayo Cultural Arts on commercial leases, intellectual property, by-laws, and employment matters.

Lawyers Alliance also congratulates The Institute for Family Health, winner for Excellent Use of Technology and Focus on Mission.



Volunteer Support

What distinguishes Lawyers Alliance? There are four essential elements to our service model: client outreach, client screening, volunteer support, and volunteer recognition. We offer several resources to help with the legal and practical issues that arise in advising nonprofit and community development organizations:

Co-counseling: For each matter placed with a volunteer, a Lawyers Alliance staff member serves as co-counsel to answer questions and address other needs related to the pro bono project. Clients and volunteers: please call our office at (212) 219-1800 ext. 221 if you are not sure of the name of the assigned staff attorney for your particular matter, and contact the staff attorney directly if she or he can be of help.

Members of our in-house legal team have specialized knowledge related to the law of nonprofit and tax-exempt organizations, as well as the programmatic and regulatory issues that our clients face. We can facilitate commu-

nications between clients and pro bono counsel, direct pro bono counsel to relevant resources, and/or work alongside our volunteers on complex matters such as housing transactions to enhance the negotiation and closing process.

Probono.net: The “Community Development and Nonprofit Law” section of Probono.net in New York contains a Library of downloadable model documents and memoranda relevant to advising nonprofits, along with a list of Lawyers Alliance’s newest pro bono case opportunities. Membership is free at www.probono.net/ny/nonprofit. You can also access the site through www.lawyersalliance.org.

Publications and Continuing Legal Education (CLE): *Getting Organized*, *The Volunteer Workforce*, and our other publications are useful for attorneys representing nonprofits. You may order copies via our website. Stay tuned for details about our next annual CLE seminar on “Current Issues in Advising Nonprofit Organizations” scheduled for the winter of 2009. Volunteers also may be eligible for CLE credits for their legal work.

Forms and Other Useful Links:

Visit the “Lawyers” section of our website – www.lawyersalliance.org/lawyers.php – for the CLE for pro bono credit form, volunteer case closing questionnaire, and Internet links to other resources for attorneys.

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ensuring that the organization's prospective activities are permitted under the lease.

Case Example: New office space identified by **University Community Social Services (UCSS)** lacked a kitchen that satisfied NYC Code regulations and needed extensive renovations before the UCSS could relocate there. UCSS could not commence the renovations until UCSS and the landlord agreed on the terms of the lease. Volunteer attorneys from **Skadden, Arps, Slate, Meagher & Flom LLP** reviewed and negotiated the lease agreement, ensuring that it allowed UCSS to continue to operate its soup kitchen and social services and to develop a job readiness program.



When a Nonprofit is a Seller or Landlord

The possibilities of generating unrelated business income tax (UBIT) and real property taxes are of particular interest to nonprofits acting as landlords. State and local laws govern exemption from real property tax, and tax-exempt landlords need to check applicable law to determine if leasing their property will result in all or a portion of that property becoming taxable.

Case Example: Jericho Project (Jericho) was considering a prospective commercial lease in which a non-tax-exempt tenant would lease part of the ground floor and storage space. Jericho planned to continue to use substantially all of the building for its exempt purposes. Lawyers Alliance staff and volunteer attorneys from **DLA Piper** advised Jericho about federal and state tax law relating to its leasing activity and determined that the lease would not result in UBIT. DLA Piper also advised Jericho of the commercial lease's impact on its New York State real estate tax exemption and negotiated the lease on Jericho's behalf.

Securing appropriate real estate for your organization to achieve its goals is important, but usually requires legal help. For more information, please contact Senior Staff Attorney **Hedwig O'Hara** at hohara@lawyersalliance.org or (212) 219-1800 ext. 226.

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LOUIS S. EDERER AND STUART M. SAFT JOIN LAWYERS ALLIANCE BOARD

Lawyers Alliance for New York has two new Board members. **Louis S. Ederer** is a partner in Arnold & Porter's intellectual property group, where he specializes in brand protection and enforcement, including anti-counterfeiting matters. **Stuart M. Saft** is a partner in Dewey & LeBoeuf's real estate practice, where he specializes in privatizing subsidized housing projects and the development and operation of multi-use property.



Louis S. Ederer



Stuart M. Saft

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In Brief

Lawyers Alliance Thanks the Sponsors of the 2008 Theater Benefit

Hundreds of clients, volunteers, and other friends and supporters gathered in June to see *A Catered Affair* and help us celebrate the presentation of the Lawyers Alliance Award for Pro Bono Leadership. Our supporters' generosity will help us serve hundreds of nonprofit organizations in the coming year.

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Robert S. Whitman of Seyfarth Shaw LLP with Executive Director Sean Delany. Mr. Whitman received the 2008 Lawyers Alliance Pro Bono Leadership Award for exemplary pro bono service by a law firm partner.



New Staff

Erika Byrnes rejoins Lawyers Alliance as Director of Development and is responsible for Lawyers Alliance's relationships with a diversity of funders. Prior to joining Lawyers Alliance, Ms. Byrnes held senior fundraising and communications positions with Washburn Partners, WHEDCO, and New York University.

As Program Associate for Client Relations, **Nicole Levitz** coordinates client intake and screening and is the primary day-to-day liaison between Lawyers Alliance and nonprofit organizations. Previously, Ms. Levitz was a program assistant at the Center for Reproductive Rights.

Senior Staff Attorney **Judith Moldover** spearheads Lawyers Alliance's nonprofit accountability initiative and is the DLA Piper Fellow responsible for Lawyers Alliance's Head Start work. Prior to joining Lawyers Alliance, Ms. Moldover was an employment attorney at Ford & Harrison LLP and at American Express Company.

Angela Thompson is Lawyers Alliance's new Development Associate. Previously, she worked for several years in media sales and then obtained a graduate degree in nonprofit management before venturing into the development field.

Elder Care Services in New York City Face Strains

Elder services providers in New York City are facing several challenges. First, New York City's Department for the Aging (DFTA) has embarked on an ambitious modernization program to restructure the delivery of three key services: (i) case management; (ii) meals on wheels; and (iii) senior centers. Second, in response to a budget shortfall, the New York City Housing Authority (NYCHA) is threatening to close community centers including several senior centers. These significant shifts are coming at a time when 1 in 3 elderly New Yorkers lives below the poverty line.

Elder serving organizations need to be proactive in time of dramatic change. Traditional alliances and modes of service delivery may have to be modified to preserve programming. Lawyers Alliance is working to help minimize the considerable fallout on service providers by offering guidance and legal advice.



Services Now for Adult Persons (SNAP) improves the quality of life of older adults in eastern Queens.

Collaborations

DFTA's modernization plan for both case management and meals on wheels has meant a substantial reduction in the number of contracts for both programs. As a result, several providers formed collaborations in which one agency applied for the contract with other community-based organizations participating as subcontractors. By collaborating, these organizations can draw upon outside expertise, expand geographic reach, and tap financial and personnel resources that are otherwise unavailable to them.

Lawyers Alliance hosted roundtable discussions following the release of both the case management

and meals on wheels request for funding proposals (RFP) to provide a forum for a free exchange of ideas. During both roundtable discussions, Lawyers Alliance staff members explained the legal implications of the RFP requirements.

To help organizations respond to the RFPs, Lawyers Alliance developed a model memorandum of understanding to be included with submissions. As contracts are awarded, Lawyers Alliance is assisting organizations in negotiating and documenting their collaborative agreements.

Facilities

With the possibility of NYCHA evicting senior centers from community space, facilities issues loom over senior centers. These issues are complicated by the anticipated senior center RFP that will call for creating Healthy Aging Centers with a focus on comprehensive "wellness" programs (including health related, social and intellectual components), in addition to providing nutritious meals and traditional senior centers. This shift intends to capture a wider clientele and meet the anticipated needs of an aging population. A key to a successful bid for a new senior center contract will be demonstrating site control over a facility that can house the proposed program. Lawyers Alliance has the real estate expertise to assist programs in resolving these challenges.

Human Resources

This new vision points to changes to the scope of services, size, location, and number of service providers and the number of employees. As contracts are awarded, many programs find their scope of services and catchment areas widening and with that a need to hire new employees. The loss of a contract means the need to lay off workers. In either scenario, elder serving organizations need legal assistance on the related employment law issues.

Once the senior center RFP is issued, Lawyers Alliance will host its third modernization roundtable. For an invitation to that event or for more information on Lawyers Alliance's Elder Services work, please visit www.lawyersalliance.org/elder_services.php or contact Staff Attorney **Elizabeth Perez** at (212) 219-1800 ext. 232 or eperez@lawyersalliance.org.

Law Firm Appeal Makes History

Each year over the last twenty years, Lawyers Alliance has bested the immediate past Law Firm Appeal record. Law Firm Appeal Co-chairs **Lawrence Rosenberg** and **Marian Baldwin Fuerst** from Chadbourne & Parke LLP have outdone themselves with the 2007-08 appeal, topping \$600,000 for the first time in Lawyers Alliance history.

This success also would not have been possible without the generous supporters who responded with \$631,700 in donations.

Lawyers Alliance thanks Mr. Rosenberg and Ms. Baldwin-Fuerst for their work in making history with this year's appeal.

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AWARDS

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6:00 p.m. – 8:00 p.m.

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