



Environmentally Sound Economic Development

“Going Green” has been embraced as a strategy for spurring innovation and job growth. Government funded initiatives encourage weatherization, building retrofits, and other forms of energy efficiency. Nonprofit organizations take a holistic approach to community development: creating energy efficient and financially stable residential buildings, implementing health and safety measures for residents, and developing employment opportunities. Lawyers Alliance’s longstanding focus on economic development in low-income communities includes nonprofits engaged in green activities.

New York State has the second highest number of jobs nationwide (248,500) in “the production of goods and services that benefit the environment.” Statewide program Green Jobs – Green New York (GJGNY) supports sustainable community development by promoting energy efficiency and the installation of clean technologies to reduce energy costs and greenhouse gas emissions. In New York City, PlaNYC 2030 sets forth ambitious goals for reduction of energy consumption and carbon emissions. This includes the Greener, Greater Buildings Plan, a suite of laws enacted in December 2009.

Case Example: **Legal Review of Operations and Risk Management Assessment**

Lawyers Alliance assists clients such as the nonprofit **Community Environmental Center** (CEC), the largest provider of weatherization assistance in New York State, with a focus on low-income and affordable hous-

ing units. CEC is the parent company of Build It Green! NYC (BIG!NYC) and nonprofit Solar One. Together they contribute to the greening of New York City through design and installation of energy-efficient solutions for thousands of residential units, youth and public education at Solar One, and landfill avoidance through the salvage of used construction materials by BIG!NYC.

With assistance from multiple attorneys at **Stroock & Stroock & Lavan LLP**, CEC is undertaking a thorough legal review of its operations and corporate structure. With counsel, it is examining its weatherization services and recycling activities, to attempt to reasonably allocate risk when removing salvageable materials from job sites and reselling such items. These efforts are expected to underpin the organization’s positioning for continued expansion, and increased employment

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Lower East Side Ecology Center’s electronic waste recycling program helps keep toxic materials out of landfills while providing jobs to area residents.



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Low-Income New Yorkers Become Homeowners

In mid-February 2012 Lawyers Alliance client **Shuhab Housing Development Fund Corporation** (Shuhab) transferred 27 apartments to the former tenants, now shareholders, at two cooperative apartment buildings located at 508-14 West 162nd Street. The closing was a milestone, representing years of work on behalf of Shuhab, the sponsor **Settlement Housing Fund, Inc.**, the technical assistance provider Urban Homesteading Assistance Board (UHAB), and Lawyers Alliance staff.

Shuhab purchased the building nine years earlier from Neighborhood Restore Housing Development Fund Corporation through the City of New York's

Department of Housing Preservation and Development's (HPD) Third Party Transfer (TPT) Program. Under the TPT Program, several tenanted buildings that had been abandoned by their landlords were transferred to Settlement's affiliate, Shuhab Housing Development Fund Corporation.

Shuhab hired a contractor to handle the building renovations at West 162nd Street with construction funding provided by Bank of America, N.A. and HPD. During that time, the tenants were temporarily relocated to other Shuhab properties to allow for safe completion of the building renovations.

The two buildings on West 162nd Street were converted to cooperatives through an application initially made to the New York State Attorney General's office in January 2010. The co-op was declared effective on May 16, 2011. However, the apartment sales had to be held after the building was transferred to the new owner, a cooperative corporation, Casa Libre Housing Development Fund Corporation, and the permanent loan closing.

The permanent loan closing with HPD and Carver Federal Savings Bank took place on February 1. Carver funded the loan through the sale of the loan to the New York City Employee Retirement System. The apartment sales were handled by Lawyers Alliance Staff Attorney **Miriam Osner** and Cleary Extern **Bevin Butler** with supervision from Senior Staff Attorney **Hedwig O'Hara** over a three-day period. At long last, the shareholders now own and live in their renovated apartments.

Senior Staff Attorney **Hedwig O'Hara** (standing) with Staff Attorney **Miriam Osner** (left) and new homeowner **Rosa Torres**



Staff Profile: Hedwig O'Hara

Senior Staff Attorney **Hedwig O'Hara** leads Lawyers Alliance's Affordable Housing initiative. Having just marked her tenth anniversary at Lawyers Alliance, Ms. O'Hara is skilled at representing nonprofit organizations in all aspects of the development of affordable housing. She works with Lawyers Alliance's volunteer attorneys, more junior staff attorneys, and externs to help nonprofit clients utilize government acquisition and loan programs, including federal low-income housing tax credits. Over the years Ms. O'Hara's work with housing developers has helped countless formerly homeless persons, special needs populations, and low-income families secure suitable housing. She also handles general real estate matters, such as commercial leasing, for all Lawyers Alliance clients.

Previously, Ms. O'Hara was an attorney with Paul,

Hastings, Janofsky & Walker LLP, Battle Fowler LLP, and Brown & Wood LLP. She explains her transition from law firm life to Lawyers Alliance, "Working for a nonprofit organization was a long-term goal of mine. When the opportunity to work at Lawyers Alliance representing nonprofits arose, I knew the potential for reward increased exponentially. It has been my anchor."

Throughout Ms. O'Hara's tenure at Lawyers Alliance, she has represented Settlement Housing Fund in the renovation of several occupied buildings through its affiliate, Shuhab (*see above story*), and the conversion of those buildings to affordable co-ops. "Nothing was more gratifying than hearing one of the homebuyers say at the closing that he had lived in New York for over 20 years and this was the first time in his life that he could afford to own a home," says Ms. O'Hara.

Guidance on Nonprofit Executive Compensation

New York State is reconsidering the rules and practices related to compensation of executives by nonprofit organizations, particularly those that contract with state agencies. The Governor, the New York State Senate Standing Committee on Investigations and Government Operations, and the Attorney General have each weighed in on the topic.

In January 2012, Governor Cuomo issued an Executive Order intended to limit spending for administrative costs and executive compensation at state-funded service providers. State agencies have been working to promulgate regulations pursuant to the Executive Order. Following the Executive Order, the State Senate Standing Committee on Investigations and Government Operations held hearings on executive compensation, issued a report, and reviewed proposed legislation. Lawyers Alliance, as a member of a coalition representing community-based nonprofit organizations, submitted testimony to the Senate Committee.

Separately, the Attorney General's Leadership Committee for Nonprofit Revitalization issued a comprehensive report and set of recommendations designed to streamline nonprofit operations and, among other things, clarify the responsibilities of boards in overseeing executive compensation. The

Attorney General is proposing legislation to implement these recommendations.

Taken all together, state officials are considering the: (i) appropriate limits on the amount of compensation to be reimbursed under a state contract; (ii) processes for boards to review comparable data and make decisions about compensation related party transactions; and (iii) function of compensation committees.

As part of our Advocacy Initiative, Lawyers Alliance is closely monitoring the legislative developments and seeks to offer input into the policy discussion based on its experience working with numerous nonprofit organizations. Future legislative and regulatory developments will be the subject of news and legal alerts, posted at www.lawyersalliance.org/news_legal_alerts.php.

As these reforms are weighed, Lawyers Alliance continues to advise boards and managers about the federal and state laws and regulations related to executive compensation and related party transactions. This includes the "safe harbor" available under federal intermediate sanctions rules as well as compliance with the New York Not-for-Profit Corporation Law. Lawyers Alliance's client services include direct legal representation and educational programs.

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opportunities for its energy efficiency and green workforce teams. In the past three years, CEC has doubled its workforce, adding approximately 75 staff. CEC's weatherization program has improved 15,099 units, saved residents \$5.5 million in energy costs, and prevented the emission of 19,886 tons of carbon dioxide – the equivalent of taking 3,537 vehicles off the road.

Case Example: Business and Lease Agreements

Lawyers Alliance client **Lower East Side Ecology Center** (Ecology Center) works towards a more sustainable New York City by providing community-based recycling and composting programs, developing local stewardship of green space, and increasing community awareness, involvement, and youth development through environmental education programs.

Recognizing the importance of waste recycling and the related employment opportunities, the Ecology

Center, with the assistance of Scott J. Gordon at **Kirkland & Ellis LLP**, is negotiating a contract with WeRecycle! LLC pursuant to which WeRecycle! will purchase the electronic waste collected by the Ecology Center, in accordance with the NYS Electronic Equipment Recycling and Reuse Act. Meanwhile, the Ecology Center operates from a new warehouse facility, secured with legal assistance on the lease agreement from John DiBari at **Winston & Strawn LLP**. These new arrangements have enabled the Ecology Center to increase services, offer a permanent drop-off location for unwanted electronics, develop a reuse program for viable equipment, and grow its employment roster from seven to nine with additional growth anticipated.

For more information on Lawyers Alliance's work in economic development, please contact Senior Staff Attorney **Neil Stevenson** at nstevenson@lawyersalliance.org or (212) 219-1800 ext. 273.

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Alum Profile: Kimberly Brown Blacklow

In January 1998, when **Kimberly Brown Blacklow** arrived at Lawyers Alliance to begin her Cleary Gottlieb Steen & Hamilton externship, she was a fourth year associate who quickly learned how to apply her corporate legal skills to nonprofit matters as she expanded her knowledge of nonprofit law. Fast-forward to June 2011, Kim became the first former extern to join the Lawyers Alliance Board of Directors, bringing a unique perspective on the organization gleaned from working side-by-side with our staff attorneys and nonprofit clients.

During her externship, Kim assisted Asian Americans for Equality in the development of two loan funds: a Rehabilitation Loan Fund to provide loans of \$10,000 to \$100,000 for terms of up to 10 years to borrowers seeking to rehabilitate multi-family (5-20 units) buildings or mixed-use commercial properties, and a Small Business Loan Fund to provide loans from \$500 to \$75,000 for terms of three months to five years to make alternative working capital and fixed asset financing available to minority and women entrepreneurs. In collaboration with pro bono attorneys from Cadwalader, Wickersham & Taft LLP, Lawyers Alliance senior attorneys and Kim created documents establishing the loan funds and reviewed documents related to a line of credit from Chase Bank. This legal work opened new funding channels to help small businesses establish credit and create employment opportunities in economically distressed neighborhoods.

Kim continues to do pro bono work. Today, she leads a group of pro bono attorneys at Cleary advising Sauti Yetu Center for African Women, a nonprofit organization that links social justice activism with academic scholarship to promote and protect the rights of African women and girls, on the legal restrictions on lobbying activities by nonprofits.

Q – Kim, if you think back to 1998, what attracted you to the Cleary externship program at Lawyers Alliance?

I saw the externship program as an opportunity to work more independently and develop my skills as a “counselor” to clients. My experience at Lawyers Alliance exceeded my goals on all fronts – it was truly a pivotal experience in my professional development. The Lawyers Alliance legal staff provided invaluable support and mentorship to the externs, and I give credit to them in helping me become the lawyer I am today.

Q – How does that experience, coupled with your professional development in the intervening years, inform your perspective as a Lawyers Alliance Board member?

My externship at Lawyers Alliance, together with the economic and community development pro bono projects I have worked on over my career, have given me a deep appreciation for the tremendous value of the work Lawyers Alliance does in supporting nonprofits serving underserved communities throughout New York. I was honored to have been invited to join the Board and look forward to helping Lawyers Alliance further its mission.

Help us build our archive and alumni database. Send your experiences with the Council of New York Law Associates or Lawyers Alliance for New York to Development Director Erika Byrnes at ebyrnes@lawyersalliance.org.



Kimberly Brown Blacklow

About Kim

Employment includes:

- › Partner at Cleary Gottlieb Steen & Hamilton LLP
- › Joined the firm in 1994 and became a partner in 2003
- › Practice focuses on real estate and other asset-based finance transactions, structured finance and capital markets transactions
- › Recognized by *The Legal 500 U.S.* for her real estate expertise

Current activities include:

- › 2011-present – Chair of Cleary’s New York Community Legal Assistance Committee
- › 2011-present – Board Member, Lawyers Alliance for New York
- › 2008-present – Board Member, Lower Manhattan Cultural Council

Graduate of:

- › Columbia University School of Law – J.D.
- › Harvard-Radcliffe – B.A., *cum laude*

2012 Business Law & Leadership Gala



Left to right: 2011 Honoree Deirdre Stanley, Thomson Reuters; 2012 Honorees Michael Fricklas, Viacom Inc., and Amy Schulman, Pfizer Inc; and Lawyers Alliance Board Chair Thomas H. Kennedy



Actress and activist Monique Coleman (left) with Nancy Lublin, CEO of 2012 Honoree organization DoSomething.org



Master of Ceremonies Matthew Bishop, U.S. Business Editor and New York Bureau Chief, *The Economist*

On May 16, 2012, more than 300 leaders from the legal, financial, and non-profit sectors gathered at Gotham Hall in Manhattan for Lawyers Alliance’s Business Law & Leadership Gala. The annual event celebrates the partnership between lawyers and nonprofits and their power to transform New York City communities. **Matthew Bishop**, U.S. Business Editor and New York Bureau Chief, *The Economist*, served as Master of Ceremonies.

This year’s distinguished honorees were:

Michael D. Fricklas, *Executive Vice President, General Counsel, and Secretary, Viacom Inc.* Viacom has supported Lawyers Alliance’s work through both event sponsorship and pro bono activity. On Viacom Day, Viacom’s annual day of service, members of Viacom’s legal team assisted seven nonprofit organizations in reviewing and updating their corporate bylaws, enabling these groups to identify specific ways to strengthen their governance structure for the future. Viacom engages its communities year-round with over 50 initiatives addressing the issues audiences care about most, including public school improvement and youth enrichment, advocacy and political activity, and promoting healthy eating and lifestyles.

Amy Schulman, *Executive Vice President and General Counsel; President and General Manager, Nutrition, Pfizer Inc* Pfizer has been a corporate sponsor of Lawyers Alliance’s legal services and educational programs for more than 15 years. Since 2001, the company has collaborated with Lawyers Alliance to present the Strategic Legal Thinking Seminar series, offered three times a year to more than 700 nonprofit managers. The Seminars are broadcast via live videoconference from New York to 15 locations across the United States. Pfizer’s social responsibility priorities include expanding access to healthcare and information in the U.S. and internationally. At Pfizer, Ms. Schulman heads a division of professionals who handle some of the most complex, challenging legal matters facing the company.

DoSomething.org is one of the largest organizations for teens and social change in the United States. These teens are creative, active, and wired. DoSomething.org harnesses that awesome energy and unleashes it on causes teens care about. Almost every week, DoSomething.org launches a new national campaign. The call to action is always something that has a real impact and doesn’t require money, an adult, or a car. In 2011, DoSomething.org activated over 2.4 million young people to take action on causes they care about. Beginning in 2003, Lawyers Alliance and its volunteer attorneys have worked on numerous legal projects with DoSomething.org, including general corporate, contract, and intellectual property matters.

Lawyers Alliance Board Chair **Thomas H. Kennedy** stated, “Along with Lawyers Alliance’s staff, volunteer network, and dedicated nonprofit organizations, this year’s honorees share a commitment to improving the quality of life in neighborhoods in which New Yorkers live, work, and learn.”

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BUSINESS LAW &
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Lawyers Alliance Welcomes New Board Member

Lawyers Alliance is pleased to announce the election of **Miles N. Ruthberg, Partner, Latham & Watkins LLP**, to our Board of Directors. Mr. Ruthberg has been a member of the firm's Executive Committee, Global Department Chair of the firm's Litigation Department, and Chair of the firm's Securities Litigation and Professional Liability Practice Group. He has represented a number of major companies in their most important litigation, with a particular emphasis on accounting issues.

Prior to practicing law, Mr. Ruthberg served as law clerk for Justice Thurgood Marshall of the U.S. Supreme Court and for Judge Carl McGowan of the U.S. Court of Appeals for the District of Columbia Circuit. He has served on the Board of Directors of the Legal Aid Foundation of Los Angeles and the Board of Governors of the Association of Business Trial Lawyers.

On the Web



Visit the Communities section of our website
www.lawyersalliance.org/communities.php
to read the new Community Arts and
Advocacy pages.

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