

University of the District of Columbia
David A. Clarke School of Law

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Dan Ruben Executive Director, Equal Justice America Building II - Suite 204 13540 East Boundary Road Midlothian, VA 23112

RE: Summary of Summer Equal Justice America Fellowship

Dear Mr. Ruben,

I am writing to provide you with a summary of my experience as an Equal Justice America Fellow in the Community Development Clinic (CDC) of the David A. Clarke School of Law. First and foremost, I would like to thank Equal Justice America for providing me with the opportunity to continue working with low-income residents of the District of Columbia.

This summer, I continued to work on two cases that I first gained exposure to while a CDC student this past spring. Both of the cases were housing cooperatives that had formed under the District's Tenant Opportunity to Purchase Act (TOPA)¹. This act, one of the most tenant friendly housing laws in the country, provides the tenants of single and multi-unit housing complexes a right of first refusal any time the owner decides to sell the property. In both instances, the tenants formed a tenant association and exercised their rights under TOPA. One case, located on W Street in the District, obtained a loan and secured their building in 1990. They are considered an "old" cooperative, as the have been in operation for 20 years now. On this case, my student co-counsels and I primarily assisted the Tenant Association with internal administrative issues. The board of directors and cooperative membership were having difficulty resolving issues at Board meetings, often causing these meetings to reduce to shouting matches regarding issues such as crime and vandalism in the building, poor performance of the management company, and improper use of storage space by various members. Our student legal team assisted them by drafting amendments to the cooperative's bylaws that were designed to provide for a smoother and more productive conduct of the meetings. Additionally, the legal team drafted an explanatory manual to accompany the bylaws. This manual explains the bylaws in a more straightforward and every-day vernacular as we found that many of the members at the meetings were very interested in participating, but who

experienced difficulty understanding the language of the bylaws.

One of the more significant projects I undertook with this case was assisting them in terminating their management company and acquiring a new one. The co-op's previous management company performed terribly for the client, causing a substantial level of dissatisfaction among the residents of the co-op. The company mismanaged funds, was unresponsive to member's requests for repair work, and generally allowed the property to fall into such disrepair that there were rodent and pest problems attributed to poor janitorial conduct and insufficient trash removal. The Treasurer of the Board, a woman who had been with the co-op since acquisition of the building, would talk about how beautiful the building was after they bought it and it had been renovated. More than once she appeared on the verge of tears when discussing how the building had become nearly unrecognizable to how it once looked. She said that the building used to be a place she was proud to call home, but not anymore. Believing that this woman and her neighbors deserved to be proud of their home, my colleagues and I aggressively canvassed for a new management company. Upon finding a number of companies that seemed promising, we facilitated the interview of one company by the Board, who were so impressed with his presentation they decided to hire that company and forgo any more interviews. My colleagues and I assisted the Board in negotiating the management contract, and I drafted a notice of termination to the previous management company. The new company has been servicing the co-op for nearly three months now, and the building's look and the Member's satisfaction have improved dramatically.

The second cooperative I worked with is located on 2nd Street within the District. This co-op is different than the previously mentioned co-op as they are still amidst the TOPA process. The residents of the property formed a tenant association and purchased the property in 2005 with a loan from the District's Department of Housing and Community Development (DHCD). The cooperative has not achieved full conversion (issuance of cooperative interests to the members) as they have failed to meet a requirement of their loan to perform a rehabilitation of the building within five years of purchase. The co-op has been plagued by a high vacancy rate that has caused an incredible deficit in their revenue. The co-op is also behind on the filing of their taxes, an issue that greatly affects their ability to obtain financing to perform the rehabilitation. My student co-counsels and I have assisted the co-op in reworking the management agreement with their property manager to address a number of similar issues with the cooperative previously mentioned. While moving forward on rehabilitation has been stunted by the vacancy and tax issue, we looked for other ways in which we could help the co-op. One way we were able to help is by advising the Board on an accessibility ramp installed by a charitable organization in D.C. According to D.C. law, once the Coop renovates, ten percent of its units will have to be compliant with the American's with Disabilities Act regarding wheelchair accessibility. Our co-counsel on the case put the Board in contact with the organization who performed the work at no charge to the co-op, and my fellow students and I reviewed the agreement and advised the Board during the negotiation process. The Board is comprised of some of the most active members of the co-op, and it only takes a few minutes in a meeting with them to see how desperately they want to complete the conversion process and finally have ownership of a home. By

assisting with the ramp endeavor, I really feel that my colleagues and I were able to help put a small piece of the puzzle together that will ultimately help them achieve their goal.

Finally, the third case on which I worked was a business case. The client is a group of four entrepreneurs who wish to start an "incubator", or an organization that provides a location for other small businesses and low income entrepreneurs to transact their own business by a method called "coworking", or the sharing of office space (conference rooms, equipment, etc.) as well as best practices and the ability to take part in other business educational opportunities to help these urban entrepreneurs develop strong and viable businesses. This case has been a very interesting experience as it is the first business case I have ever been exposed to. My first major task was to research IRS requirements for non-profits, as the client initially wanted to organize as a 501 (c) (3) organization. My co-counsel and I determined that with the business plan they intended to pursue, they would not be able to satisfy IRS requirements for non-profits, however we advised them that they could form as a Limited Liability Company and then pursue their social agenda through a joint venture with a charitable organization. This scenario was well received by the client and we immediately got to work drafting an operating agreement for the LLC and the other necessary documents for them to conduct business in the District of Columbia. Conservatively, the organization is probably at least 12 months from the stage at which it will be able to service low-income entrepreneurs and urban small businesses, however I feel that my co-counsel and I played an important role by helping the client determine the best organizational path to pursue and by providing them with guidance during the infant stages of their LLC.

Looking back on my summer, I truly feel that there was no better way it could have been spent. I was able to continue working on cases and for clients with whom I developed a strong bond over the last six months. The concerns of my co-op clients underscores a major flaw in the District's tenant laws. While on the face, TOPA appears to be an incredibly progressive piece of legislation that has the potential to allow lowincome residents a real chance at affordable homeownership. Indeed, the spirit of the Act certainly has this commendable goal at its core. However, in practice the Act falls short in numerous circumstances because there is no provision for support services built into the law. The acquisition of the property, securing of loans, and required building rehabilitation all require the assistance of lawyers, accountants, development consultants and potentially numerous other professionals. The clients for whom I worked do not have the financial capability to secure the legal services they so desperately need to make the goal of TOPA a reality and to sustain their co-op over the long-term. Over the course of my summer, I was able to provide valuable services to my clients that have resulted in a positive impact by significantly easing the financial burden involved with the co-op process.

Once again, thank you very much for providing me with the opportunity to spend my summer working for positive change for some of the District's most underprivileged and disadvantaged residents. I know I will carry my experiences this summer with me throughout my legal career and it will always serve as a reminder that a lawyer can be a powerful instrument of positive social change.

Sincerely,

Aaron Weaver Student Advocate Community Development Clinic David A. Clarke School of Law J.D. expected 2011