

## A Publication of Community Legal Resources

### Facilitating New Opportunities: The CLR Community Land Trust Project

Community Legal Resources is embarking upon a year long project to develop the legal tools necessary to support the development of community land trusts (CLTs) in Michigan. Community land trusts, an affordable housing tool used across the nation, involve unique real estate, taxation, and other legal strategies that must be adapted to Michigan law in order for CLTs to achieve success in Michigan.

#### What is a Community Land Trust?

A community land trust (CLT) is a private, non-profit corporation created to provide affordable access to land and housing for people who are otherwise priced out of the housing market. CLTs are unique in that they treat land and buildings differently. CLTs permanently own the land on which homes and other structures or facilities are built, while individuals own the home (or other structure/facility) on the land pursuant to a long-term (usually 99-year) renewable ground lease.

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Katy Locker leads discussion at August 2004 CLT Project Attorney Meeting. Also pictured (left to right): Taylor Teasdale, Alan Reiter, Cathy Lamont, Debra Geroux

### Butzel Long enters fifth year of service to YouthBuild Detroit and CLR

#### BUTZEL LONG ATTORNEYS AND COUNSELORS

For the last five years, Detroit law firm Butzel Long has provided over 600 hours of free legal services to its nonprofit Community Partner, YouthBuild Detroit/Young Detroit Builders. Under the leadership of firm partner Robin Luce, twenty six attorneys and legal assistants in a variety of practice areas have provided a range of transactional and litigation assistance to the organization which provides high-school dropouts with GED certification while training them in the construction trades. On behalf of YouthBuild, Butzel Long attorneys have:

- Negotiated for the acquisition of property to be rehabilitated;
- Cleared improper property tax calculations;
- Provided tax advice;
- Drafted an employee manual and advised on employment matters;

- Handled disputes with insurance carriers;
- Monitored a workers' compensation claim;
- Amended and updated the organization's bylaws;
- Provided advice on contracts and fundraising activities; and
- Advised on the organization's long-term strategic planning effort, as well as other matters.

In addition, the firm works on many other pro bono projects and makes annual financial contributions to Community Legal Resources and other legal services programs. In November the firm celebrates its 150th anniversary in Detroit with a theme of "Partners in Public Service." Community Legal Resources congratulates Butzel Long on this remarkable anniversary and thanks Robin Luce and her team for their commitment to pro bono and to Community Legal Resources.

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Typically, CLTs are used in neighborhoods that are experiencing or are expected to experience gentrification. In many communities today, population growth and economic investment are driving up real estate prices so that fewer low- and moderate-income workers can afford to buy homes or rent in the communities where they work. Limited public funds are available to subsidize housing costs for lower-



August 2004 CLT Project Attorney Meeting. Attorneys pictured (left to right): Vicki Harding, Florise Neville-Ewell, Rochelle Lento, Jim Rose, Noam Raz

income households. However, the gap between the amount of subsidy needed and the amount of subsidy available for affordable housing continues to widen as housing costs soar.

CLTs do not build equity for low-income communities as fast as conventional homeownership would. Rather, CLTs are designed to serve a population that would not have home ownership opportunities in the current conventional market. In addition, the initial investment in the affordability of the housing is preserved for future owners,

thereby maximizing the utility of that investment. (For more on *Community Land Trusts* visit [www.clronline.org/publications/CLT.pdf](http://www.clronline.org/publications/CLT.pdf).)

### What is the CLT Project?

CLR has gathered a skilled team of private attorneys to work together over a period of one year to: (a) Research CLT issues as they relate to Michigan law and local laws in Michigan cities; (b) Create tools for use by public officials, title companies, lawyers and community developers interested in forming CLTs, including a model ground lease tailored to Michigan law; and (c) develop a pool of Michigan lawyers skilled in the legal intricacies of CLTs.

Ultimately, Michigan communities interested in creating a community land trust will be able to turn to the research and materials prepared by this Project, as well as our pool of skilled attorneys, to successfully implement a community land trust. The products of the CLT Project will be presented at the 2005 Michigan Conference on Affordable Housing and other appropriate forums in Michigan. The Project is sponsored in large part by the Michigan State Housing Development Authority.

Watch this newsletter and the CLR website for CLT Project developments. Contact Katy Locker (313-964-4130; [klocker@michiganlegal.org](mailto:klocker@michiganlegal.org)) for more information.

### Community Land Trust Project Attorneys

Randy Awdish, Pepper Hamilton

Jane Forbes, Dykema Gossett

Debra Geroux, Butzel Long

Vicki Harding, Pepper Hamilton

Max Hoffman, Butzel Long

Cathy Lamont, Lamont Title Insurance Corp.

Rochelle Lento, University of Michigan

Jerry Loeser, Comerica Bank

Glen Zatz, Comerica Bank

Jill Kometh, Honigman Miller Schwartz and Cohn

Mitch Meisner, Honigman Miller Schwartz and Cohn

Brian Page, Dykema Gossett

Randy Perry, Bodman

Noam Raz, Jaffe Raitt Heuer & Weiss

James Rose, Jaffe Raitt Heuer & Weiss

Taylor Teasdale, Lewis & Munday

### Come Help Us Celebrate!

Community Legal Resources invites friends, supporters, funders, clients, and volunteers to join us for an evening of fun and fellowship at our 6th Annual Recognition Event. Taking a cue from Governor Granholm's urban initiative, this year's theme is "Lawyers Building Cool Cities." We'll be toasting those volunteer lawyers and law firms who help make our neighborhoods better places to live, work and do business. We hope you will join us!

#### Community Legal Resources 6th Annual Recognition Event

**When:** Tuesday, November 16, 2004. 5:30 – 7:30 PM

**Where:** 4731 Gallery (4731 Grand River Ave., Detroit)

**What:** Complimentary wine, beer, appetizers and desserts

Detailed invitations will be arriving by mail. Please RSVP your attendance to Karinda Washington at [kwashington@michiganlegal.org](mailto:kwashington@michiganlegal.org) or (313) 964-4130 by November 9.

## CLR Clients Receive Cool Cities Grants

Two CLR clients recently received \$100,000 from the State of Michigan as part of Governor Granholm's Cool Cities initiative. Jefferson East Business Association (JEBA) was awarded a Cool Cities grant to assist in the



redevelopment of three buildings on Detroit's eastside into an entertainment and technology incubator. JEBA plans on using the incubator to support start-up or expanding businesses in the entertainment and technology fields by offering reduced rent for two years, marketing assistance, free research and

advocacy, and a business coach. JEBA is also offering façade improvement grants to the owners of the three buildings. For the past year attorneys from the law firm of Kerr, Russell and Weber, PLC have worked with JEBA, helping them improve the quality of life on Detroit's lower eastside.

Southwest Detroit Business Association (SDBA) was awarded a Cool Cities grant to assist in the conversion of the Odd Fellows Hall in Southwest Detroit into an arts-related ballroom and entertainment center with commercial and retail operations on the ground floor. The building is located near the Detroit-Dearborn border and SDBA hopes to offer cultural specific programs in the ballroom to bring together the various ethnicities in the area. The law firm of Dykema Gossett PLLC has



Rendering of SDBA's Odd Fellows Building

worked closely with SDBA through a CLR Community Partnership for several years and has specifically assisted on this Cool Cities project.

The State of Michigan received 151 applications for Cool Cities grants and only 20 were chosen for the award. In addition to receiving the grant money, grant recipients are also given priority for assistance from other state agencies.

## Honigman, Miller, Schwartz and Cohn lawyer recognized for her volunteerism

Community Legal Resources recently recognized the generous volunteerism of Ann Hollenbeck, a partner at the Detroit law firm of Honigman, Miller, Schwartz and Cohn, LLP, by naming her the Volunteer of the Quarter for the third quarter of 2004.

In addition to the great work Ann has done on behalf of nonprofit organizations, Ann was also recognized for her tireless enthusiasm for pro bono work. She has actively sought out pro bono projects that fit her skills and has championed the role of our program in the community. Ann recently volunteered to assist three Detroit nonprofit organizations and agreed to write an article for the Michigan Nonprofit Association's bi-monthly newsletter.

One of the organizations Ann works with is C.A.R.E.S. Right Now, a non-profit providing transportation, personal care giving and other supportive services to senior citizens on Detroit's eastside. Volunteers for C.A.R.E.S. Right Now prepare meals, clean homes, and handle other personal needs of neighborhood seniors. The organization approached Community Legal Resources for assistance with reviewing liability waivers for an upcoming event and Ann quickly volunteered to assist.

Ann is also assisting the Art Center Music School, the oldest continuously operating music school in Detroit. Established in 1922 and located in the Cass Corridor, its mission is to provide quality music instruction to low- and

moderate-income families at affordable rates. Scholarships are available for students who can not afford instruction, and many of the students come from the Cass Corridor area. The Art Center's Board requested assistance with specific corporate issues and, once again, Ann enthusiastically agreed to help.

The third organization Ann works with is Looking for My Sister, a young organization in the process of creating a shelter for Wayne county women who are victims of domestic violence. The nonprofit has a solid core of volunteers but lacked legal counsel to advise its directors on corporate issues. Ann has been assisting them to properly incorporate and to apply for tax-exempt status with the IRS.

**Special thanks to Miller Canfield Paddock and Stone PLC for its contribution of the "2004 Employment Law Handbook: Guide for Michigan Employers" to the Community Legal Resources Library.**

**Special thanks to the Real Property Law Section of the State Bar of Michigan for its recent award of a scholarship for Katy Locker's attendance at its 2004 Summer Conference.**

*Community Legal Resources is a joint project of Michigan Legal Services and the Pro Bono Committee of the Business Law Section of the American Bar Association working in conjunction with the Michigan Litigation Assistance Partnership Program.*

*Our mission is to foster pro bono legal representation for unfulfilled legal needs of nonprofit community organizations in Michigan that serve low-income individuals and communities, with an emphasis on community economic development activities.*

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Who we are...



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