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Although the book lacks in depth analyses of possible solutions, its contribution is that it brings to focus the myriad problems that often get lost in mere statistic and rhetoric. *Black Enterprise Inc.* should be invaluable both to the businessman who wants to avoid as many pitfalls as possible, and to all those who are interested in the future of minority economic development.

David S. Chaney

A LAWYER'S MANUAL ON COMMUNITY - BASED ECONOMIC DEVELOPMENT
A Publication of the National Housing and Economic Development
Law Project 828 pages Price \$10.00

In the black-white realm of the literary world, there are, generally, three classifications of "how-to" manuals. In the first class are those books which are painstakingly well-written but somewhat anachronous often due to the tremendous amount of effort and time put into them. Another class consists of those quickly and often poorly written manuals that are manufactured to "get to the public" while the issues and subject matters are still "hot items". In the third class can be found those rare well-written, informative manuals which meet the demands of the particular reading audience at the time when the information is sorely needed. This manual falls into the first classification.

During these times when venture capital is scarce, when government funding is on the wane, and when even the economic prophets of the establishment are warning the people of meager times ahead, the National Housing and Economic Development Law Project, is offering "after the fact" advice on how "we" can improve our communities through economic development by obtaining the requisite funding through venture capital, government grants, and other rapidly dwindling sources of finance.

The first chapter is largely introductory in nature. It comments on the need for building a strong economic base within minority communities as a vehicle for social equality. That this need is recognized by "black leaders" is illustrated by the fact that persons such as Dr. Martin Luther King, Roy Innis, Floyd McKissick and Jesse Jackson have, or had, re-directed their methods of obtaining legal rights and social progress for their people. Their thrust, as, explained in the manual, shifted from the mass protest of the 1960's to the acquisition of wealth through community development programs. Economic development, of course, registered well with the "corporate leaders" who quickly supported government spending under the rubric of "green power," "minority entrepreneurship," "ghetto self-determination," and "Black capitalism."

In the manual's second chapter, the legal forms for the community development corporation (CDC) are discussed. We are told that the prime goal of the CDC is to alleviate poverty by creating a "sound economic and social base" for the low income community.

Profit, non-profit, and cooperative corporate forms are considered in depth from the initial funding stages, through the powers and duties of the corporation's officers and directors, to the accountability and control by the corporation's members and the effect that state law has on these functions.

Chapter three presents a comprehensive coverage of the federal tax laws on the CDC. *Morrissey*,⁰ *Brown Shoe*,² *Duberstein*,³ *Court Holding Company*,⁴ and other important cases are cited. All in all, this chapter just about covers any imaginable tax situation that may effect the operation of a CDC as well as any other corporation.

Securities law considerations are taken up in chapter four. Such factors as risks, participation in earnings and assets, and types of securities are studied in relation to both equity and debt financing. Federal security laws as well as state "blue sky laws" are reviewed in depth.

In the fifth chapter, the reasons for establishing subsidiaries are considered from the standpoint of business, legal, and tax effects. Forming one by acquisition are studied, weighing the advantages and disadvantages of each and how such subsidiaries would affect the operations of different types of CDCs. Also multiple subsidiary enterprises, majority owned subsidiaries, joint ventures, and affiliates are considered with respect to the CDC.

Sources of financing are discussed in the sixth chapter. Regulatory and policy limitations, agency requirements, and other eligibility requirements are also succinctly set out.

In spite of this manual's somewhat anachrous emergence, it still could be of some aid to the minority lawyer in realizing the scope of his involvement with minority business, especially those with little or no experience in that field; and for the law student whose area of interest is business, the manual provides a helpful review of corporate, tax and securities law. The Appendix contains sample corporate documents, practical "stuff" for the new lawyer.

1. *Morrissey v. Commissioner*. 296 U.S. 344 (1935) defines the rule for when to treat an organization as a corporation for tax purposes.

2. *Brown Shoe Co. v. Commissioner*. 399 U.S. 583 (1950) provides the rule on the contribution to capital issue.

3. *Commissioner v. Duberstein*. 363 U.S. 278 (1960) defines a "gift."

4. *Commissioner v. Court Holding Cr.* 324 U.S. 331 (1945) affects the treatment of corporate distributions of appreciated property to its shareholders.