

Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056

Note: If exempt status is approved, this application will be open for public inspection.

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at **www.irs.gov** for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)
Sustainable Economies Law Center		Janelle Orsi
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)
84 Monte Vista Avenue	#3	46-2210531
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)
Oakland, CA 94611		12
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 510-649-9956
a Name: Janelle Orsi		c Fax: (optional)
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9a Organization's website: www.theselc.org		
b Organization's email: (optional) janelle@theselc.org		
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		01 / 02 / 2013
12 Were you formed under the laws of a foreign country ? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1** Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. ☒ **Yes** ☐ **No**
- 2** Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. ☐ **Yes** ☒ **No**
- 3** Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. ☐ **Yes** ☒ **No**
- 4a** Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. ☐ **Yes** ☒ **No**
- b** Have you been funded? If "No," explain how you are formed without anything of value placed in trust. ☐ **Yes** ☐ **No**
- 5** Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. ☒ **Yes** ☐ **No**

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1** Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Page 1, Article II ☒
- 2a** Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c. ☒
- 2b** If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Pages 2-3, Article VI
- 2c** See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state: ☐

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past*, *present*, and *planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a** List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Janelle Orsi	President	84 Monte Vista Ave. #3 Oakland, CA 94611	\$41,028
Linda Barrera	Secretary	84 Monte Vista Ave. #3 Oakland, CA 94611	\$0
Emily Bolt	Treasurer	84 Monte Vista Ave. #3 Oakland, CA 94611	\$0

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b** List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
N/A			

- c** List the names, names of businesses, and mailing addresses of your five highest compensated **independent contractors** that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
N/A			

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

2a Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. ☐ Yes ☒ No

b Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. ☐ Yes ☒ No

c Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. ☐ Yes ☒ No

3a For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

b Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. ☐ Yes ☒ No

4 In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

- a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? ☒ Yes ☐ No
- b** Do you or will you approve compensation arrangements in advance of paying compensation? ☒ Yes ☐ No
- c** Do you or will you document in writing the date and terms of approved compensation arrangements? ☒ Yes ☐ No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements? ☒ **Yes** ☐ **No**
- e** Do you or will you approve compensation arrangements based on information about compensation paid by **similarly situated** taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. ☒ **Yes** ☐ **No**
- f** Do you or will you record in writing both the information on which you relied to base your decision and its source? ☒ **Yes** ☐ **No**
- g** If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is **reasonable** for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.
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- 5a** Have you adopted a **conflict of interest policy** consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c. ☒ **Yes** ☐ **No**
- b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?
- c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?
- Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.
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- 6a** Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through **non-fixed payments**, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. ☐ **Yes** ☒ **No**
- b** Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation. ☐ **Yes** ☒ **No**
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- 7a** Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine that you pay no more than **fair market value**. Attach copies of any written contracts or other agreements relating to such purchases. ☐ **Yes** ☒ **No**
- b** Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at **arm's length**, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales. ☐ **Yes** ☒ **No**
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- 8a** Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f. ☐ **Yes** ☒ **No**
- b** Describe any written or oral arrangements that you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at **arm's length**.
- e** Explain how you determine you pay no more than fair market value or you are paid at least fair market value.
- f** Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.
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- 9a** Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f. ☐ **Yes** ☒ **No**

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors *(Continued)*

- b** Describe any written or oral arrangements you made or intend to make.
- c** Identify with whom you have or will have such arrangements.
- d** Explain how the terms are or will be negotiated at arm's length.
- e** Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f** Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1a** In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. ☒ **Yes** ☐ **No**
- b** In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. ☒ **Yes** ☐ **No**
- 2** Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. ☐ **Yes** ☒ **No**
- 3** Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. ☐ **Yes** ☒ **No**

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1** Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. ☒ **Yes** ☐ **No**
- 2** Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. ☐ **Yes** ☒ **No**

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past*, *present*, and *planned* activities. (See instructions.)

- 1** Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. ☐ **Yes** ☒ **No**
- 2a** Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. ☒ **Yes** ☐ **No**
- b** Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. ☐ **Yes** ☒ **No**
- 3a** Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. ☐ **Yes** ☒ **No**
- b** Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. ☐ **Yes** ☒ **No**
- c** List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) ☐ **Yes** ☐ **No**

- | | |
|---|--|
| <input checked="" type="checkbox"/> mail solicitations | <input type="checkbox"/> phone solicitations |
| <input checked="" type="checkbox"/> email solicitations | <input checked="" type="checkbox"/> accept donations on your website |
| <input checked="" type="checkbox"/> personal solicitations | <input type="checkbox"/> receive donations from another organization's website |
| <input type="checkbox"/> vehicle, boat, plane, or similar donations | <input checked="" type="checkbox"/> government grant solicitations |
| <input checked="" type="checkbox"/> foundation grant solicitations | <input type="checkbox"/> Other |

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. ☐ **Yes** ☒ **No**

c Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. ☐ **Yes** ☒ **No**

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. ☐ **Yes** ☒ **No**

5 Are you **affiliated** with a governmental unit? If "Yes," explain. ☐ **Yes** ☒ **No**

6a Do you or will you engage in **economic development**? If "Yes," describe your program. ☐ **Yes** ☒ **No**

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. ☐ **Yes** ☒ **No**

b Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. ☐ **Yes** ☒ **No**

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. ☐ **Yes** ☒ **No**

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. ☐ **Yes** ☒ **No**

b Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). ☐ **Yes** ☐ **No**

c Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). ☐ **Yes** ☐ **No**

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). ☐ **Yes** ☐ **No**

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. ☒ **Yes** ☐ **No**

Part VIII Your Specific Activities (Continued)

11	Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<hr/>		
12a	Do you or will you operate in a foreign country or countries ? If "Yes," answer lines 12b through 12d. If "No," go to line 13a.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	b Name the foreign countries and regions within the countries in which you operate.	
	c Describe your operations in each country and region in which you operate.	
	d Describe how your operations in each country and region further your exempt purposes.	
<hr/>		
13a	Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	b Describe how your grants, loans, or other distributions to organizations further your exempt purposes.	
	c Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	d Identify each recipient organization and any relationship between you and the recipient organization.	
	e Describe the records you keep with respect to the grants, loans, or other distributions you make.	
	f Describe your selection process, including whether you do any of the following:	
	(i) Do you require an application form? If "Yes," attach a copy of the form.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	(ii) Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	g Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.	
<hr/>		
14a	Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	b Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.	
	c Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	d Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	e Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information.	<input type="checkbox"/> Yes <input type="checkbox"/> No
	f Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part VIII Your Specific Activities *(Continued)*

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|-----------|--|---|
| 15 | Do you have a close connection with any organizations? If "Yes," explain. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 19 | Do you or will you operate a school ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 22 | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Note: **Private foundations** may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	Current tax year	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
		(a) From 1-2013 To 12-2013	(b) From 1-2012 To 12-2012	(c) From 1-2011 To 12-2011	(d) From 1-2010 To 12-2010		
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)	231,488.20	190,781.65	39,170.00	7,840.79	469,280.64	
	2 Membership fees received	0	0	0	0	0	
	3 Gross investment income	0	0	0	0	0	
	4 Net unrelated business income	0	0	0	0	0	
	5 Taxes levied for your benefit	0	0	0	0	0	
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)	0	0	0	0	0	
	7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)	0	0	0	0	0	
	8 Total of lines 1 through 7	231,488.20	190,781.65	39,170.00	7,840.79	469,280.64	
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)	14,642.33	6,198.54	6,665.85	0	27,506.72	
	10 Total of lines 8 and 9	246,130.53	196,980.18	45,835.85	7,840.79	496,787.36	
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)	0	0	0	0	0	
	12 Unusual grants	0	0	0	0	0	
	13 Total Revenue Add lines 10 through 12	246,130.53	196,980.18	45,835.85	7,840.79	496,787.36	
Expenses	14 Fundraising expenses	0	6,370.00	0	0		
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	0	0	0	0		
	16 Disbursements to or for the benefit of members (attach an itemized list)	0	0	0	0		
	17 Compensation of officers, directors, and trustees	0	0	0	0		
	18 Other salaries and wages	238,264.37	54,534.52	0	0		
	19 Interest expense	0	0	0	0		
	20 Occupancy (rent, utilities, etc.)	9,885.00	6040.98	3,435.88	3,917.21		
	21 Depreciation and depletion	0	0	0	0		
	22 Professional fees	505.83	787.50	18,250.00	687.00		
	23 Any expense not otherwise classified, such as program services (attach itemized list)	35,808.39	19,619.45	11,801.16	3091.43		
	24 Total Expenses Add lines 14 through 23	284,463.59	87,352.45	33,487.04	7,695.64		

Part IX Financial Data (Continued)**B. Balance Sheet (for your most recently completed tax year)**Year End: **2013**

Assets		(Whole dollars)
1	Cash	81,520.49
2	Accounts receivable, net	0
3	Inventories	0
4	Bonds and notes receivable (attach an itemized list)	0
5	Corporate stocks (attach an itemized list)	0
6	Loans receivable (attach an itemized list)	0
7	Other investments (attach an itemized list)	0
8	Depreciable and depletable assets (attach an itemized list)	0
9	Land	0
10	Other assets (attach an itemized list)	0
11	Total Assets (add lines 1 through 10)	81,520.49
Liabilities		
12	Accounts payable	0
13	Contributions, gifts, grants, etc. payable	0
14	Mortgages and notes payable (attach an itemized list)	0
15	Other liabilities (attach an itemized list)	0
16	Total Liabilities (add lines 12 through 15)	0
Fund Balances or Net Assets		
17	Total fund balances or net assets	81,520.49
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	81,520.49
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. ☐ Yes ☒ No
If you are unsure, see the instructions.

b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2. ☐

2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. ☐ Yes ☐ No

3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. ☐ Yes ☐ No

4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? ☐ Yes ☐ No

5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.

The organization is not a private foundation because it is:

a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A. ☐

b 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B. ☐

c 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C. ☐

d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D. ☐

Part X Public Charity Status (Continued)

- e** 509(a)(4)—an organization organized and operated exclusively for testing for public safety. ☐
- f** 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit. ☐
- g** 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public. ☒
- h** 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions). ☐
- i** A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status. ☐

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling. ☐

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

.....
(Signature of Officer, Director, Trustee, or other
authorized official)

.....
(Type or print name of signer)

.....
(Date)

.....
(Type or print title or authority of signer)

For IRS Use Only

.....
IRS Director, Exempt Organizations

.....
(Date)

- b Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii). ☒

(i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. 9,385.61

(b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box. ☐

(ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box. ☐

(b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box. ☐

- 7** Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. ☐ **Yes** ☒ **No**

Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1** Have your annual gross receipts averaged or are they expected to average not more than \$10,000? ☐ **Yes** ☒ **No**
If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2** Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change). ☐
- 3** Check the box if you have enclosed the user fee payment of \$750 (Subject to change). ☒

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

**Please
Sign
Here**

(Signature of Officer, Director, Trustee, or other
authorized official)

Janelle Orsi

(Type or print name of signer)

February 10, 2014

(Date)

President

(Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Form **1023** (Rev. 6-2006)

Schedule G. Successors to Other Organizations

1a Are you a **successor** to a **for-profit organization**? If "Yes," explain the relationship with the **predecessor** organization that resulted in your creation and complete line 1b. ☐ Yes ☒ No

b Explain why you took over the activities or assets of a for-profit organization or converted from for-profit to nonprofit status.

2a Are you a successor to an organization other than a for-profit organization? Answer "Yes" if you have taken or will take over the activities of another organization; or you have taken or will take over 25% or more of the fair market value of the net assets of another organization. If "Yes," explain the relationship with the other organization that resulted in your creation. ☒ Yes ☐ No

b Provide the tax status of the predecessor organization.

c Did you or did an organization to which you are a successor previously apply for tax exemption under section 501(c)(3) or any other section of the Code? If "Yes," explain how the application was resolved. ☒ Yes ☐ No

d Was your prior tax exemption or the tax exemption of an organization to which you are a successor revoked or suspended? If "Yes," explain. Include a description of the corrections you made to re-establish tax exemption. ☐ Yes ☒ No

e Explain why you took over the activities or assets of another organization.

3 Provide the name, last address, and EIN of the predecessor organization and describe its activities.

Name: **Community Ventures,**

EIN: **01 – 0919727**

Address: **436 14th Street, Suite 1120 Oakland, CA 94612**

4 List the owners, partners, principal stockholders, officers, and governing board members of the predecessor organization. Attach a separate sheet if additional space is needed.

Name	Address	Share/Interest (If a for-profit)
Jennifer Kassin	436 14th Street, Suite 1120 Oakland, CA 94612	
William Stern	436 14th Street, Suite 1120 Oakland, CA 94612	
Mark McLeod	436 14th Street, Suite 1120 Oakland, CA 94612	

5 Do or will any of the persons listed in line 4, maintain a working relationship with you? If "Yes," describe the relationship in detail and include copies of any agreements with any of these persons or with any for-profit organizations in which these persons own more than a 35% interest. ☒ Yes ☐ No

6a Were any assets transferred, whether by gift or sale, from the predecessor organization to you? If "Yes," provide a list of assets, indicate the value of each asset, explain how the value was determined, and attach an appraisal, if available. For each asset listed, also explain if the transfer was by gift, sale, or combination thereof. ☒ Yes ☐ No

b Were any restrictions placed on the use or sale of the assets? If "Yes," explain the restrictions. ☒ Yes ☐ No

c Provide a copy of the agreement(s) of sale or transfer.

7 Were any debts or liabilities transferred from the predecessor for-profit organization to you? If "Yes," provide a list of the debts or liabilities that were transferred to you, indicating the amount of each, how the amount was determined, and the name of the person to whom the debt or liability is owed. ☐ Yes ☒ No

8 Will you lease or rent any property or equipment previously owned or used by the predecessor for-profit organization, or from persons listed in line 4, or from for-profit organizations in which these persons own more than a 35% interest? If "Yes," submit a copy of the lease or rental agreement(s). Indicate how the lease or rental value of the property or equipment was determined. ☐ Yes ☒ No

9 Will you lease or rent property or equipment to persons listed in line 4, or to for-profit organizations in which these persons own more than a 35% interest? If "Yes," attach a list of the property or equipment, provide a copy of the lease or rental agreement(s), and indicate how the lease or rental value of the property or equipment was determined. ☐ Yes ☒ No

Form 1023 Checklist

(Revised June 2006)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- ☒ Assemble the application and materials in this order:
- Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.
- ☒ User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.
- ☒ Employer Identification Number (EIN)
- ☒ Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
- You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.
- ☒ Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.
- | | | | |
|------------|--|------------|--|
| Schedule A | Yes ___ No <input checked="" type="checkbox"/> | Schedule E | Yes ___ No <input checked="" type="checkbox"/> |
| Schedule B | Yes ___ No <input checked="" type="checkbox"/> | Schedule F | Yes ___ No <input checked="" type="checkbox"/> |
| Schedule C | Yes ___ No <input checked="" type="checkbox"/> | Schedule G | Yes <input checked="" type="checkbox"/> No ___ |
| Schedule D | Yes ___ No <input checked="" type="checkbox"/> | Schedule H | Yes ___ No <input checked="" type="checkbox"/> |

- ☒ An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
 - Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) [Page 1, Article II](#)
 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law [Pages 2-3, Article VI](#)
- ☒ Signature of an officer, director, trustee, or other official who is authorized to sign the application.
 - Signature at Part XI of Form 1023.
- ☒ Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011



Attachment to Part IV
Narrative Description of Activities
Sustainable Economies Law Center (SELC)
EIN: 46-2210531

Overview of SELC

The Sustainable Economies Law Center (SELC) is a nonprofit public benefit corporation formed for the purpose of eventually taking over the activities of a project currently operated by a nonprofit 501(c)(3) tax exempt organization called Community Ventures. All past and present activities described in this narrative refer to activities of Community Ventures which will eventually be operated by the applicant.

SELC is primarily an educational and research organization aimed at empowering communities with legal knowledge and skills needed to establish projects that foster economic resilience. Community groups seeking to establish urban farms, worker cooperatives, housing cooperatives, cottage scale enterprises, and time banks, for example, often lack access to legal information and support necessary to the success of their initiatives. SELC's primary work has been to research a broad range of legal issues and to educate communities about these issues by publishing user-friendly legal guides, creating sample documents, presenting workshops, and creating online videos.

SELC also combines a charitable purpose with our educational work. SELC serves charitable purposes by providing legal services to low-income, distressed, and underprivileged communities. In addition, we provide legal representation on matters of broad public importance for clients that would likely not otherwise receive assistance from private attorneys. We work to ensure access to legal services by 1) educating a new generation of attorneys focused on community resilience, and 2) providing direct legal services to projects.

Through our research, SELC also identifies ways in which laws could be changed to remove barriers and to incentivize the growth of community-scale enterprise, cooperatives, urban farms, and other initiatives that contribute to community resilience. As described below, our research often leads to the production of papers and publications that make recommendations for ways that laws could change to enable to growth of more resilient economies. Most of the time, our policy recommendations are not tied to specific legislative proposals. However, as described later in this narrative, we have occasionally engaged in an insubstantial amount of lobbying.

Our research, education, and policy work focus on various areas of law and of the economy, including, but not limited to, the following topics that represent SELC's nine current topical program areas:

- Cooperatives
- Community Enterprise
- Community Currencies
- Food
- Housing
- Legal Profession in the New Economy

- Community Renewable Energy
- City Policies
- Work in the New Economy

Since its inception as a small project of Community Ventures, SELC has received the help of 116 volunteers. Until mid-2012, SELC was almost entirely a volunteer-run project.

Activity #1: Community Education

Description and Exempt Purpose of Activity:

SELC engages in a wide range of activities aimed at educating communities about the law and of the legal implications of activities such as urban farms, micro-enterprise, cooperative enterprise, local investing, local currencies, and so on. Our educational activities take the form of online resource libraries, handbooks, handouts, videos, and workshops.

We have created four online legal resource libraries, each of which contain a large amount of legal information made freely available to the public. Much of this content developed out of research and writing projects conducted by SELC staff and volunteers. The libraries are available at:

- CommunityEnterpriseLaw.org (Legal resources for community-owned enterprise.)
- CommunityCurrenciesLaw.org (Legal resources on barter and community currencies.)
- UrbanAgLaw.org (Legal resources on urban agriculture.)
- Co-opLaw.org (Legal resources on cooperatives.)

We are currently developing a fifth library that will be housed at CommunityFoodLaw.org. A core activity for SELC in coming years will be to grow the content of these libraries.

In addition, SELC has published a handful of handbooks and handouts, most of which are made freely available on our primary website, www.theSELC.org, or which are given out for free in workshops. One handbook is a legal guide for small scale food enterprises. Another handbook is a legal guide to creating a worker owned business. We have also translated the majority of our handbooks and handouts into Spanish.

SELC has made a small number of educational videos available for free on SELC's YouTube channel. These include videos of workshops, as well as cartoons that explain legal concepts.

SELC frequently hosts workshops, webinars, and discussions on a wide range of legal topics. For example, we recently hosted a community discussion on ways to create community college learning programs focused on worker cooperative development. In recent months, volunteers and staff have taught workshops on childcare cooperative law, urban agriculture and the law, legal issues for housing cooperatives, and cottage food enterprise law. SELC staff also frequently present at conferences and universities.

Where this Activity is Conducted: The development of SELC's educational programs happens almost entirely from our headquarters in Oakland, where our staff and volunteers work. SELC has some volunteers that work remotely in other parts of the U.S. SELC's online legal resources libraries, handbooks, and videos are available to anyone in the world with internet access. Our in-person workshops are primarily offered in the San Francisco Bay Area.

When this Activity is Conducted: SELC's educational work began in early 2010 and we have been engaging in this work continuously since that time.

By Whom this Activity is Conducted: SELC staff manage and oversee all educational activities and we receive help from many community volunteers. In particular, law students from the University of California Berkeley School of Law assist with developing educational materials and teaching community workshops.

How this Activity is Funded: SELC's educational work is primarily funded by foundation grants and individual donations. Some of our community workshops require attendees to pay a nominal or sliding scale fee (usually between \$5 and \$20). Periodically, we print handbooks and sell them at events on a sliding scale of \$5-\$15, a price aimed primarily at covering printing and binding costs. However, these fees have not proven to be a significant source of funding for our educational work.

Percentage of Total Organization Time Devoted to this Activity: 50%

Activity #2: Training Attorneys Focused on Community Resilience

Description and Exempt Purpose of Activity:

SELC engages in a handful of activities aimed at training a new generation of attorneys to meet the legal needs of urban farms, cooperative, and other projects generating community resilience. There is a shortage of attorneys in the U.S. with expertise in these areas. SELC hopes to remedy this shortage by providing learning opportunities to lawyers through training, hands-on experience, and through the creation of a forum where attorneys can share information.

SELC has so far developed approximately 30 hours of continuing legal education (CLE) workshops for lawyers, and we have offered trainings to lawyers periodically over the past three years. We developed these trainings with the goal of empowering attorneys with the skills and knowledge needed to serve communities. In 2013, SELC chose a cohort of seven "fellows," who are new attorneys aiming to serve the legal needs of resilient communities. These fellows did not work for SELC, nor did they receive any funding from us; they did, however, receive 25 hours of free CLE trainings from SELC, and have received significant mentorship from SELC staff attorneys.

SELC co-founder, Janelle Orsi, has also written a book, entitled *Practicing Law in the Sharing Economy*, published by the American Bar Association in 2012. This book covers nine

important legal subjects that attorneys should know in order to serve the legal needs of resilient communities. SELC has broken the content of this book into multiple articles and resources, and the majority of the book content is now also available on SELC's website and resource libraries.

SELC also provides hands-on learning experiences to law students, new attorneys, and other aspiring legal professionals. Our interns receive intensive training and supervision while working on a wide range of research projects. Our legal advice clinics, described below, also provide a living classroom for new and aspiring lawyers. With clients' permission, we often have new and aspiring lawyers observe and take part in advice sessions, with the primary goal of giving the observers a better understanding of the practice of law.

SELC has also identified legal apprenticeships as a potential opportunity to remedy the shortage of lawyers focused on community economic resilience. In a few U.S. states, it is possible to become a lawyer through a practice-based apprenticeship, rather than attending law school. Since four of SELC's non-attorney staff member are on a path to becoming lawyers in this way, and since there is very little publicly available information for people interested in legal apprenticeships, SELC has created a website and blog at www.LikeLincoln.org to share resources with other apprentices.

SELC will soon be creating an online forum aimed at bringing attorneys together for the purpose of sharing information, ideas, and resources. The proposed name for this forum is the "Resilient Communities Attorney Network." We are currently creating the online platform for this forum. It will allow attorneys to post questions, engage in discussions, and share resources and documents.

Where this Activity is Conducted: The development of SELC's attorney training programs and forums happens almost entirely from our headquarters in Oakland and our workshops are offered primarily in the San Francisco Bay Area. SELC is now beginning to offer webinars that will be offered to attorneys and legal professionals throughout the United States.

When this Activity is Conducted: SELC's attorney training work began in the summer of 2010 and we have been engaging in this work continuously since that time.

By Whom this Activity is Conducted: SELC staff attorneys manage and oversee the majority of attorney training activities. Staff attorney Janelle Orsi has been primarily responsible for developing the educational content.

How this Activity is Funded: SELC's attorney training work is primarily funded by foundation grants and individual donations. In addition, we usually charge attorneys between \$20 and \$40 per unit hour for continuing education credits. However, we waive or reduce this fee for low-income attorneys. When SELC launches an online forum for attorneys, we will likely charge a regular membership fee to help us cover the cost of website maintenance and content moderation.

Percentage of Total Organization Time Devoted to this Activity: 15%

Activity #3: Legal “Cafes”

Description and Exempt Purpose of Activity:

Approximately three times per month, SELC hosts an event that we call the “Resilient Communities Legal Cafe.” In spite of its name, SELC does not actually sell food or drink at the “Cafes.” The purpose of the Legal Cafes is three-fold. First, we aim to serve charitable purposes by providing accessible legal services to community members who would otherwise find it difficult to find competent and affordable legal advice on their projects. Second, we aim to create a living classroom for new and aspiring attorneys. Third, we seek to foster a learning and discussion environment for community members interested in creating more sustainable communities.

For each Legal Cafe, SELC sets up a welcoming café-like environment and sets up a library of books on the law and on social change. Community members are welcomed to walk in without an appointment, browse our resources, take part in an intake interview, and then receive advice from a staff attorney or volunteer attorney. The clients are predominantly low-income, unemployed, and lower-moderate income individuals starting projects aimed at creating more economically resilient communities. We have advised worker cooperatives, nonprofits, community gardens, and a variety of small-scale, community-oriented enterprises. The client receives advice on topics such as entity structure, drafting bylaws, drafting contracts, securities law, employment law, health & safety laws, money transmission laws, land use, and other topics necessary to the success of their projects. During each legal advice session, there are typically two or three new or aspiring attorneys present to observe and learn. Concurrent with the legal advice, we typically host a workshop or discussion.

To date, we have not charged money to attendees of the Legal Cafes, but we do suggest a donation. We leave a donation jar near the exit to the Cafe. However, after providing advice to 180 clients, we have raised no more than \$500 as a result of these donations, demonstrating that is not a significant source of income. We may, in the future, charge a fee for legal consultations. However, we are mindful of limitations placed on 501(c)(3)s providing paid legal consultations. Thus, any fees we charge in the future will be aimed primarily at covering a portion of the costs associated with SELC’s services, and the fees will vary according to the client’s ability to pay. SELC will continue to primarily serve low income clients at no cost or for a very nominal fee.

SELC will also be providing technical support to organizations interested in replicating the Legal Cafe model elsewhere in the country. We will share sample documents, write a guide to starting a Legal Cafe, and will be available to answer questions for other groups starting such projects.

Where this Activity is Conducted: We have offered Legal Cafes in Berkeley, East Oakland, North Oakland, and Richmond, California. We will provide technical support and resources to organizations around the country that are seeking to replicate the Legal Cafe.

When this Activity is Conducted: We began offering Legal Cafes in February of 2013 and have been doing them continuously since then. The Legal Cafes take place three times per month, on average. They typically last three hours.

By Whom this Activity is Conducted: SELC staff manage and oversee the Legal Cafe and we receive help from many community volunteers. Currently, there are ten volunteer lawyers periodically providing legal advice in the Legal Cafes.

How this Activity is Funded: The Legal Cafe is funded primarily by foundation grants and donations. As described above, SELC may, in the future, ask some clients to pay for consultations.

Percentage of Total Organization Time Devoted to this Activity: 15%

Activity #4: Community Legal Services

Description and Exempt Purpose of Activity:

The services that SELC provides in the Legal Cafes (described above) are limited to one-time consultations. Thus, to supplement the Legal Cafes, SELC will take an average of 8 clients per year to provide more extensive legal representation. The services we provide to clients include advising on entity structure, drafting bylaws, drafting contracts, and advising on steps to complying with regulations in a broad range of legal areas, including securities, employment law, health & safety laws, money transmission laws, land use, and other legal topics that must be addressed in order for a new organization or enterprise to be successful.

SELC chooses to represent clients only when they meet most or all of the following criteria:

- The client is low income or otherwise unable to find affordable or competent legal representation.
- The client is creating a pioneering organizational model that could serve to teach and be replicated by others.
- The client is creating a project that will contribute significantly to the creation of more economically sustainable communities.
- Representation of the client will offer a good opportunity for attorneys or others to learn from the representation process.

So far, the primary legal representation work SELC has done is to assist in the formation of two worker cooperatives, and to assist two community farm groups in negotiating leases and fiscal sponsorship agreements. Since all clients are very low income, we have not charged for the services so far, but will charge some clients in the future. For example, we will charge approximately \$1,000 to one of the worker cooperatives, since the cooperative will have some means to pay. However, the fee is extremely low given how much work we are doing for them, and given that our actual personnel costs associated with the client work are between two and four times what we are charging the client. In the event that SELC charges market rate legal fees to a client and/or provides services in a way that does not substantially further our charitable or educational purposes, we will pay unrelated business income tax on that income. Unrelated income from client representation will never become more than an insubstantial part of SELC's total work.

To date, SELC has not taken part in any litigation, and it is somewhat unlikely that we will do so, since our primary work is transactional in nature. However, we do mention it here to acknowledge that we are open to the possibility of litigation, in the event that we deem it important to bring or assist in the defense of a lawsuit, in order to address an issue of broad public importance. If there is a matter of public importance and there is no other attorney or legal organization prepared and competent to engage in that litigation, SELC may consider litigating. Without knowing the nature or details of future potential litigation, it is not possible to provide any other details about the ways in which we would handle such litigation. However, in the event that SELC engages in public interest litigation, we will comply with the guidelines established in Revenue Procedure 92-59 and in any subsequent laws, regulations, Revenue Procedures, Revenue Rulings, and court decisions providing requirements for the establishment of 501(c)(3) tax exempt public interest law firms.

Where this Activity is Conducted: SELC primarily provides legal representation to clients in California, but we will likely take clients in other states if we grow to include staff attorneys certified to practice in other states.

When this Activity is Conducted: SELC took its first client in February of 2013 and this activity is ongoing.

By Whom this Activity is Conducted: SELC staff attorneys manage and oversee all legal representation, with the assistance of other staff members, interns, and volunteers.

How this Activity is Funded: Our legal representation work is primarily funded by grants and individuals donations. As described above, this work may receive some funding from client fees in the future.

Percentage of Total Organization Time Devoted to this Activity: 10%

Activity #5

Policy Analysis and Advocacy

Description and Exempt Purpose of Activity:

SELC aims to learn about ways that laws can be impediments to cooperatives, urban farms, and other positive economic activities. Our primary work in the realm of policy involves analyzing current laws and making recommendations to changes to those laws. Our recommendations generally come in the form of written documents that we call policy briefs. One such brief, entitled, Policies for Shareable Cities, is attached as an example. SELC generally does not take the additional step of seeking to propose the laws we recommend, nor do we get involved much in advocating for the passage of proposed laws, except as described below.

SELC provides support to public officials and lawmakers seeking to learn more about policies that support community economic resilience. For example, the mayor's office of one city recently reached out to SELC seeking information on ways that other cities have adopted policies to facilitate the growth of worker cooperatives. We provided that person with the attached policy brief, as well as a sample ordinance that a SELC volunteer wrote.

SELC has engaged in an insubstantial amount of activity aimed at influencing actual legislation and we plan to continue to make this an insubstantial portion of our work, engaging in lobbying only within limits set for 501(c)(3) tax exempt organizations. We believe that changes to local, state, and federal laws are necessary to facilitate the growth of cooperatives, urban farms, and other positive economic activities. The narrative attachment to Part VIII, Section 2, includes examples of ways that SELC has sought to influence legislation.

Where this Activity is Conducted: SELC analyzes policies at city, state, and federal levels around the United States, and we share our analyses by publishing them online. Our primary efforts at advocating for legislation, however, have been in the state of California.

When this Activity is Conducted: SELC began policy analysis work in early 2010. SELC's first effort at influencing legislation was in the summer of 2010, and we have been involved periodically with other efforts since that time.

By Whom this Activity is Conducted: SELC staff manage and oversee all policy analysis and advocacy work, and we receive help from community volunteers in these efforts. We frequently partner with other nonprofit organizations in the creation of policy briefs or in advocating for legislation.

How this Activity is Funded: This activity is funded primarily by individual donations, as well as by those foundation grants that do not prohibit legislative advocacy.

Percentage of Total Organization Time Devoted to this Activity: 10%

Attachment to Part V, Section 3a

For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

About Janelle Orsi

Qualifications:

Janelle Orsi received her J.D. from Boalt Hall School of Law, UC Berkeley in 2007. Janelle has co-directed or directed SELC since 2010. Since 2008, Janelle has also been a "sharing economy lawyer" in private practice, specializing in helping communities share housing and cars, form cooperatives, launch urban farming initiatives, and form social enterprises.

Janelle is the author of *Practicing Law in the Sharing Economy: Helping People Build Cooperatives, Social Enterprise, and Local Sustainable Economies* (ABA Books 2012), and co-author of *The Sharing Solution: How to Save Money, Simplify Your Life & Build Community* (Nolo Press 2009), a practical and legal guide to cooperating and sharing resources of all kinds. In 2010, Janelle was profiled by the American Bar Association as a Legal Rebel, an attorney who is "remaking the legal profession through the power of innovation." In 2012, Janelle was one of 100 people listed on The (En)Rich List, which names individuals "whose contributions enrich paths to sustainable futures."

Previously, she was Executive Director of Women Defenders, a professional organization of women criminal defense attorneys and has worked in a range of legal practice areas, including criminal defense, youth law, immigration, adoptions, LGBT rights, and estate planning. Prior to becoming an attorney, Janelle worked in the fields of nonprofit development, education, and social science research.

Average Hours Worked: 45 hours per week

Duties: Janelle supervises the majority of legal research and educational projects that SELC takes on. She supervises interns, apprentices, and junior staff attorneys. Janelle is the primary attorney that gives advice to clients. Until recently, Janelle was the primary person responsible for fundraising to support SELC, and this responsibility is now shared among the staff.

Attachment to Part VI, Sections 1a and 1b

1a: In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals.

1b: In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations.

SELC provides legal advice and representation to clients, as described in the narrative Attachment to Part IV. Since February of 2013, SELC has hosted walk-in legal advice clinics, through our program known as the "Resilient Communities Legal Cafe." Community members – both individuals and organizations – are invited to come in and consult with an attorney about the legal needs of their projects. We have given advice to urban farms, micro-enterprises, worker cooperatives, grocery cooperatives, nonprofit organizations, and other groups contributing to more economically sustainable communities. We advise our clients on matters such as entity structure, bylaws, contracts, securities law, employment law, health & safety laws, money transmission laws, and land use. At the Legal Cafe, we put out a donation jar and invite clients to make a donation to SELC. In 2013, we advised 180 clients at our Legal Cafe, but we received no more than \$500 from donations made by Legal Cafe clients.

In addition, SELC assists some clients with more extensive legal needs. For example, we have assisted two worker cooperatives in completing their Bylaws, and we assisted two community farms in completing leases and other documents. As described in the Attachment to Part IV, we have provided the majority of legal services for free, but we will sometimes charge clients fees in order to cover SELC's costs.

Attachment to Part VIII, Section 2a

Do you attempt to influence legislation? If "Yes," explain how you attempt to influence legislation [...].

SELC has engaged in an insubstantial amount of activity aimed at influencing legislation and we plan to continue to make this an insubstantial portion of our work, engaging in lobbying only within limits set for 501(c)(3) tax exempt organizations. We believe that changes to local, state, and federal laws are necessary to facilitate the growth of cooperatives, urban farms, and other positive economic activities. Below are examples of ways that SELC has sought to influence legislation.

In 2010, SELC worked with law student interns to write a letter to the Securities and Exchange Commission requesting a regulatory change that would enable new businesses to raise capital by receiving many small loans or investments from community members. This letter was a partial impetus for the eventual proposal of the federal JOBS Act, which included a provision to amend securities law to enable crowdfunding. SELC ultimately spent very little time giving input on the provisions of the JOBS Act or promoting the passage of the JOBS Act, and did not expend any funds in this effort.

In 2011, SELC helped to write and introduce a CA state bill aimed at creating a new type of worker cooperative corporation. This bill was unsuccessful. Since this was a volunteer-led effort and a collaboration among multiple organizations, we spent no more than \$200 and no more than 30 volunteer hours on this bill. SELC's primary role in this effort was to give input on the language of the bill and its amendments.

In 2012, SELC helped to write and introduce a CA state bill called the California Homemade Food Act, which removed legal barriers to the sale of certain homemade foods, opening doors to micro-enterprise in California. One SELC staff member spent approximately 10 hours per week working on organizing support for that bill. SELC's primary role in this effort was to give input on the language of the bill and its amendments, to meet with legislators to discuss the bill, and to organize grassroots support through a petition and letter writing campaign.

In 2013, SELC helped to write and introduce a CA state bill that would remove some barriers to the formation of housing cooperatives. SELC did this in collaboration with four other nonprofit organizations. As such, SELC expended a relatively small amount of time and money on this effort. Two SELC staff members spent approximately 3 hours per week each working on this bill. SELC's primary role in this effort was to give input on the language of the bill and its amendments.

In 2014 and beyond, SELC hopes to maintain insubstantial involvement in supporting legislative proposals at city, state, and federal levels.

Attachment to Part VIII, Section 2b

Describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities.

During 2012 and 2013, only two SELC staff members were involved in influencing legislation. In 2012, SELC's Policy Director, Christina Oatfield spent one quarter of her time working to pass the California Homemade Food Act. SELC's Executive Director, Janelle Orsi, spent no more than one tenth of her time working to support this legislation. In 2013, both worked to advance a California bill to remove barriers to development of housing cooperatives. Both Janelle Orsi and Christina Oatfield worked on this bill, but neither spent more than one tenth of her time on it.

Since January of 2013, SELC has employed 6 staff members, and the majority of them do not spend any time working to influence legislation. Thus, although Christina Oatfield and Janelle will continue to advocate for new legislation in California, the proportion of total time and funds spent on influencing legislation is very small compared to time and funds spent engaging in other activities that further our exempt purposes. SELC is very mindful of the restraints on 501(c)(3)s that influence legislation, so we have consciously chosen to limit our involvement in this work in order to ensure that it continues to take only an insubstantial part of our total time and resources.

Attachment to Part VIII, Section 4a

Attach a description of each fundraising program.

Foundation grants:

In 2012, SELC received a \$50,000 grant from the 11th Hour Project, a program of the Schmidt Family Foundation. In 2013, we received an additional \$100,000 from this foundation, and have received \$135,000 from them in 2014. The 11th Hour Project is the primary source of funding that enabled SELC to grow from a small volunteer project to an organization with staff. With this, SELC initiated an effort to build our grant-seeking capacity. Since 2012, we have applied for more than 30 grants, and received funding from 12 foundations.

Donations solicitations:

- **Personal donation solicitations:** SELC staff members have personally asked friends and family to contribute to our work. In addition, SELC has created something called the SELC Sustainer Circle, which is a group of attorneys who commit to donating \$500 or more per year. Currently, there are 12 people donating at the Sustainer level.
- **Local business donations:** In 2014, we will seek to establish relationships with and personally solicit contributions from value-aligned local businesses.
- **Email solicitations:** SELC periodically sends emails to our email subscriber list encouraging our supports to make a donation.
- **Mail solicitations:** To date, SELC has not solicited donations by mail, but we may do so in the future by writing and sending fundraising letters.
- **Donations through our website:** Our website includes a link through which supporters may donate funds to SELC. We have used a program called Razoo to process donations. Razoo takes a very small processing fee from donations. We will soon switch to a new platform called Nationbuilder, which will also take a small fee.
- **Fundraising events:** Once or twice per year, SELC hosts an event aimed at raising money for our organization. For example, each fall, we have hosted our Fall Celebration, a party for which tickets generally cost \$20-\$30, and where we give a presentation asking attendees to give or pledge their support to SELC.

Attachment to Part VIII, Section 4d

List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

SELC does all fundraising in California, with the exception of our email solicitations, which go to any person who has voluntarily signed up to be on our email list. SELC does all fundraising on its own behalf, and we have not had any contracts with organizations to raise funds for us. We do not raise funds for other organizations.

Attachment to Part VIII, Section 10

Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other intellectual property? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed.

SELC has created many written works, graphics, and educational videos for which SELC owns the copyright. Much of our writing and videos are available for free online, and we will soon be adopting a policy with regard to the licensing of this intellectual property. Most works will be licensed to the public under a Creative Commons license that allows any person to use the material, adapt it, and republish it, so long as they do so with attribution to SELC.

SELC has written four handbooks to accompany our community workshops, and we make these handbooks available for free online. Periodically, we make print copies of the handbooks and sell them at our event on a sliding scale of \$5 to \$15. The suggested price is primarily aimed at covering printing and binding costs.

SELC also wrote a book, entitled *Practicing Law in the Sharing Economy*, which was published by the American Bar Association (ABA), a nonprofit organization. The ABA holds the copyright, but has granted SELC a license to republish the book's contents on SELC's website. SELC receives royalties from the sale of this book, which have averaged about \$2,200 per year since publication.

Note about Financial Information Provided in Part IX

The financial information provided in Part IX reflects income received and expenditures made solely for the SELC program of Community Ventures, and does not include income and expenses of Community Ventures programs unrelated to SELC.

Attachment to Part IX, Part A, Line 9

Itemized list of gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes.

2011

Fee received for writing a book chapter on financing food business:	\$2,000.00
Income generated from fundraising party ticket sales and silent auction:	<u>\$4,665.85</u>
Total:	\$6,665.85

2012

Fee received for teaching a three day workshop in Portland:	\$3,500.00
Fees received for workshops SELC taught in the community:	\$ 575.44
Royalties from the American Bar Association for the sale of SELC's book:	\$1,218.10
Income from sale of educational materials:	<u>\$ 905.00</u>
Total:	\$6,198.54

2013

Fees received for teaching workshops and writing articles:	\$7,025.37
Fees for legal services provided by SELC (donations received a legal clinics):	\$ 381.00
Royalties from the American Bar Association for the sale of SELC's book:	\$3,066.48
Income from sale of educational materials:	\$ 260.00
Income generated from fundraising party ticket sales and silent auction:	<u>\$3,909.48</u>
Total:	\$14,642.33

Attachment to Part IX, Part A, Line 23

Any expense not otherwise classified, such as program services (attach itemized list)

Other Expenses in 2010

60900 • Business Expenses

60925 • Filing Fees 69.00

Total 60900 • Business Expenses 69.00

65000 • Operations

49550 • Admin fee to fiscal sponsor 548.86

65055 • Web 720.63

65030 • Printing and Copying 106.85

65035 • Staff meals 442.47

65040 • Supplies 13.66

Total 65000 • Operations 1,832.47

65100 • Other Types of Expenses

65115 • Events 193.66

65110 • Advertising Expenses 5.94

Total 65100 • Other Types of Expenses 199.60

68300 • Travel and Meetings

68310 • Conference, Convention,
Meeting 612.60

68320 • Travel 377.76

Total 68300 • Travel and Meetings 990.36

Total Other Expense in line 23 **3,091.43**

Other Expenses in 2011

65000 · Operations

49550 · Admin fees to fiscal sponsor	3,201.51
65055 · Web	1,240.04
65005 · Bank Fees	266.43
65010 · Books, Subscriptions, Reference	12.00
65020 · Postage, Mailing Service	18.18
65030 · Printing and Copying	378.84
65035 · Staff meals	440.15
65040 · Supplies	86.80

Total 65000 · Operations 5,643.95

65100 · Other Types of Expenses

65115 · Events	3,950.07
65145 · Meal-guest	60.99

Total 65100 · Other Types of Expenses 4,011.06

68300 · Travel and Meetings

68325 · Meals-Travel	7.46
68320 · Travel	1,308.10
68300 · Travel and Meetings - Other	830.59

Total 68300 · Travel and Meetings 2,146.15

Total Other Expenses in line 23 **11,801.16**

Other Expenses in 2012

6000 - Program Expenses	
6020 - Food	652.57
6025 - Supplies	61.71
Total 6000 - Program Expenses	<u>714.28</u>
8000 - Travel and Networking	
8005 - Ground Transportation	555.25
8010 - Airfare	267.60
8015 - Accommodation	246.08
8020 - Staff Meals	115.96
Total 8000 - Travel and Networking	<u>1,184.89</u>
9000 - Operating Expenses	
9015 - Telecommunications	11.54
9020 - Web Based Services	136.40
9030 - Office Supplies	93.85
9040 - Printing and Copying	22.84
11000 - Fiscal Sponsor Fees	17,393.56
9055 - Bank Fees	62.09
Total 9000 - Operating Expenses	<u>6,367.70</u>
Total Other Expenses in line 23	<u>19,619.45</u>

Other Expenses in 2013

6000 · Program Expenses	
6010 · Equipment	134.45
6020 · Food	386.37
6025 · Supplies	819.12
Total 6000 · Program Expenses	<u>1,339.94</u>
8000 · Travel and Networking	
8005 · Ground Transportation	1,123.24
8010 · Airfare	415.80
8015 · Accommodation	760.14
8020 · Staff Meals	362.15
8025 · Travel Meals	114.74
8030 · Conference Fees	1,060.12
8035 · Event Expenses	3,206.09
8040 · Mileage, Parking, Tolls, Public	134.06
Total 8000 · Travel and Networking	<u>7,176.34</u>
9000 · Operating Expenses	
11000 · Fiscal Sponsor Fees	19,164.68
9015 · Telecommunications	68.73
9020 · Web-Based Expenses	1,047.88
9025 · Insurance	3,025.51
9030 · Office Supplies	58.53
9040 · Printing and Copying	610.49
9045 · Postage, Mailing Service	70.83
9060 · Merchant Processing Fees	1,317.38
9075 · Fees and Licenses	1,540.00
9085 · Memberships	329.95
9090 · Meeting Expenses	58.13
Total 9000 · Operating Expenses	<u>27,292.11</u>

Total Other Expenses in line 23	<u>35,808.39</u>
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Attachments to Part X, 6(b)

Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount.

University of CA Sustainable Agriculture and Research Program	\$ 10,000.00
Grant Abert / Kailo Fund	\$ 40,000.00
11th Hour Project, Schmidt Family Foundation	\$ 160,000.00
Annenberg Foundation	\$ 60,000.00
Bessemer Trust / Left Tilt Fund	\$ 10,000.00
Schechter Family Foundation	\$ 25,000.00
Equal Justice Works	\$ 25,248.00
Threshold Foundation	\$ 22,000.00

Please note that although SELC has received a significant portion of its income from the above handful of foundations and funds, the facts and circumstances of SELC's work and funding indicate that it is a public charity. In 2013 alone, SELC received contributions from more than 200 individuals. We are seeking to build a broad base of public support, which we expect will grow to become a more substantial portion of our total income.

Attachments to Schedule G Successors to Other Organizations

Attachment to Question 2a

Are you a successor to an organization other than a for-profit organization? Answer "Yes" if you have taken or will take over the activities of another organization; or you have taken or will take over 25% or more of the fair market value of the net assets of another organization. If "Yes," explain the relationship with the other organization that resulted in your creation.

The Sustainable Economies Law Center (SELC) started in 2010 as project of Community Ventures, a 501(c)(3) nonprofit organization. The idea for the SELC came about when the President of Community Ventures and another attorney were discussing the need for some legal research and education on certain topics to benefit the general public. The goals of this endeavor aligned well with the mission of Community Ventures so the Board of Directors agreed to take on the creation of the SELC as a new project. SELC was managed by volunteer attorneys and law students for a few years and had a very small budget.

Attachment to Schedule G, Section 2b

Provide the tax status of the predecessor organization.

Community Ventures is tax exempt under Section 501(c)(3).

Attachment to Schedule G, Section 2c

Did you or did an organization to which you are a successor previously apply for tax exemption under section 501(c)(3) or any other section of the Code? If "Yes," explain how the application was resolved.

Community Ventures successfully applied for 501(c)(3) tax-exempt status.

Attachment to Schedule G, Section 2e

Explain why you took over the activities or assets of another organization.

Once granted tax exemption as an independent corporation, SELC will be taking over those funds received by Community Ventures for the purpose of supporting SELC projects. During the last two years, many new opportunities for growth have come up and the SELC now has six staff and organizes events for the general public at least once per week. Operating under Community Ventures made sense when SELC was mostly a volunteer endeavor. However, SELC has grown so much that it now has more unique needs, including greater needs for engaged leadership, strategic visioning, and fundraising. Many of these functions would be best handled by a board dedicated to the mission of the SELC specifically. The leaders of the SELC and Community Ventures have determined that it would be in the best interests of SELC to be its own organization in order to continue to build on the momentum of the project's successes over the past few years.

Attachment to Schedule G, Section 5

Do or will any of the persons listed in line 4, maintain a working relationship with you? If "Yes," describe the relationship in detail and include copies of any agreements with any of these persons or with any for-profit organizations in which these persons own more than a 35% interest.

Jennifer Kassan, President of Community Ventures, will continue to informally advise the SELC on its work to educate communities about securities laws, because she has extensive knowledge of and experience in this area. She will not be compensated for providing general advice to the organization.

Attachment to Schedule G, Section 6a

Were any assets transferred, whether by gift or sale, from the predecessor organization to you? If "Yes," provide a list of assets, indicate the value of each asset, explain how the value was determined, and attach an appraisal, if available. For each asset listed, also explain if the transfer was by gift, sale, or combination thereof.

No assets have been transferred yet. However, once the SELC nonprofit corporation has obtained tax exemption, grants and donations given to Community Ventures specifically to fund SELC projects will be transferred to the SELC nonprofit corporation. We hope for this transfer to take place in December of 2014, at which time we expect to have a balance of approximately \$100,000 in cash. Additionally, Community Ventures will transfer all intellectual property developed for the SELC project, including handbooks, legal resource libraries, and SELC's logo. We have no way of determining the value of the intellectual property to be transferred.

Attachment to Schedule G, Section 6b

Were any restrictions placed on the use or sale of the assets? If "Yes," explain the restrictions.

The only restriction to be placed on any assets transferred by Community Ventures to SELC will be that the funds must be used to serve charitable and educational purposes that meet the requirements of Section 501(c)(3).

Attachment to Schedule G, Section 6c

Provide a copy of the agreement(s) of sale or transfer.

A formal, written agreement for the transfer of these assets will be developed once this new entity receives confirmation of its tax exemption. Attached hereto is the current agreement we have with Community Ventures regarding sponsorship of SELC projects and eventual transfer of assets.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made on January 22, 2010, by and between Community Ventures, a California 501(c)(3) nonprofit public benefit organization ("Organization") and Janelle Orsi ("Program Manager") for the Sustainable Economies Law Center (the "Program").

The Program is a direct activity of the Organization. The Organization has managerial and legal control over the Program and is the employer of all Program staff. The Organization delegates day-to-day responsibilities for operation of the Program to the Program Manager.

1. Receipt of funds: The Organization agrees to receive grants, contributions, and gifts to be used for the Program. Program Manager agrees to deposit all funds related to the Program with the Organization and not to maintain any separate funds or accounts for the Program.
2. Organization's tax exempt status: The Organization agrees to notify the Program Manager of any change in its tax-exempt status.
3. Protection of tax-exempt status: The Program Manager is responsible for operating the Program in a manner that furthers the mission of the Organization and does not in any way jeopardize the tax-exempt status of the Organization. The Program Manager agrees to comply with any written request by the Organization that he/she cease activities which might jeopardize the Organization's tax status, and further agrees that the Organization's obligation to make funds available to the Program is suspended in the event that he/she fails to comply with any such request. Any changes in the purpose for which grant funds are spent must be approved in writing by the Organization before implementation. The Organization retains the right, if the Program Manager breaches this MOU or jeopardizes the Organization's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.
4. Use of funds: The Organization authorizes the Program Manager to make expenditures, which do not exceed total contributions for the Program (less Organization's administrative costs) for use in the Program. The Program Manager agrees to use any and all funds received from the Organization solely for legitimate expenses of the Program and to account fully to the Organization for the disbursement of these funds.
5. Organization's Administrative Costs: Organization shall retain seven (7) percent of the Program's gross revenues to cover administrative costs. This amount shall be increased to nine (9) percent if it is necessary to hire employees for the Program.
6. Fundraising: The Program Manager may solicit gifts, contributions, and grants on behalf of the Organization which are earmarked for the activities of the Program. The text of the Program's letters of inquiry, grant applications, and other fundraising materials are subject to approval by the Organization. All grant agreements, pledges, or other commitments with funding sources to support the Program shall be executed by the Organization. Donors may make their checks payable to "Community Ventures" and mail them to 436 14th Street, Suite 1120, Oakland, CA 94612.

7. Termination: If the Program Manager wishes to cease operations of the Program, he/she shall provide 30 days notice to the Organization. If the Program Manager wishes to continue to operate the Program, another nonprofit corporation which is tax-exempt under IRC Section 501(c)(3) and is not classified as a private foundation under Section 509(a) must be willing and able to succeed the Organization as holder of funds for the Program (the "Successor"). If the Program Manager identifies a Successor, the balance of assets held by the Organization for the Program, together with any other assets held or liabilities incurred by the Organization in connection with the Program, shall be transferred to the Successor, subject to the approval of any third parties (including funding sources) that may be required. If no Successor is identified, the Organization may allocate the Program's assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations.

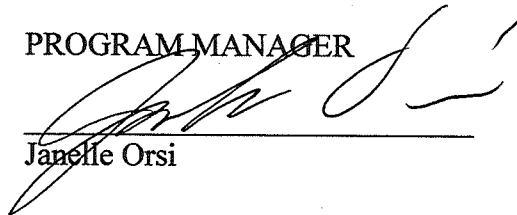
IN WITNESS WHEREOF, the parties have executed this MOU effective on the date first written above.

COMMUNITY VENTURES



Jennifer Kassan, President

PROGRAM MANAGER



Janelle Orsi

FILED
Secretary of State
State of California

JAN 02 2013

1 cc / AG

Articles of Incorporation

of

Sustainable Economies Law Center

I. NAME

The name of the corporation is Sustainable Economies Law Center.

II. PURPOSES

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes. The specific purposes for which this corporation is organized are:

- 1) To educate communities about legal and policy issues that pertain to the creation of more ecologically and economically sustainable communities;
- 2) To provide relief to poor, distressed, or underprivileged communities by providing legal support to individuals and organizations working to promote ecological and economic sustainability in those communities;
- 3) To preserve and protect natural resources for the benefit of the public by providing legal support to organizations that act to protect such resources; and
- 4) To engage in any lawful activity in furtherance of the above purposes, but in no event will the corporation engage in any activity prohibited to corporations exempt from federal taxation under Section 501(c)3 of the Internal Revenue Code.

III. AGENT FOR SERVICE

The name and address of the corporation's initial agent for service of process is:

Janelle Orsi
84 Monte Vista Ave. Apartment 3
Oakland, CA 94611

IV. STREET ADDRESS AND MAILING ADDRESS

The street address and mailing address of the corporation is:

84 Monte Vista Ave. Apartment 3
Oakland, CA 94611

V. LIMITATIONS ON ACTIVITIES

The corporation is organized and operated exclusively for charitable and educational purposes within the meaning of Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 214.

Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Internal Revenue Code Section 501(c)(3) or (2) by a corporation, the contributions to which are deductible under Internal Revenue Code Section 170(c)(2).

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

VI. BENEFIT AND DISSOLUTION

The property of this corporation is irrevocably dedicated to charitable and educational purposes, meeting the requirements of Revenue and Taxation Code Section 214 and no part of the net income or assets of the organization shall ever inure to the benefit of any director, trustee, officer or member thereof or to the benefit of any private person.

On the dissolution or winding up of the corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable and educational purposes in accordance with Section 214 of the California Revenue and Taxation Code and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

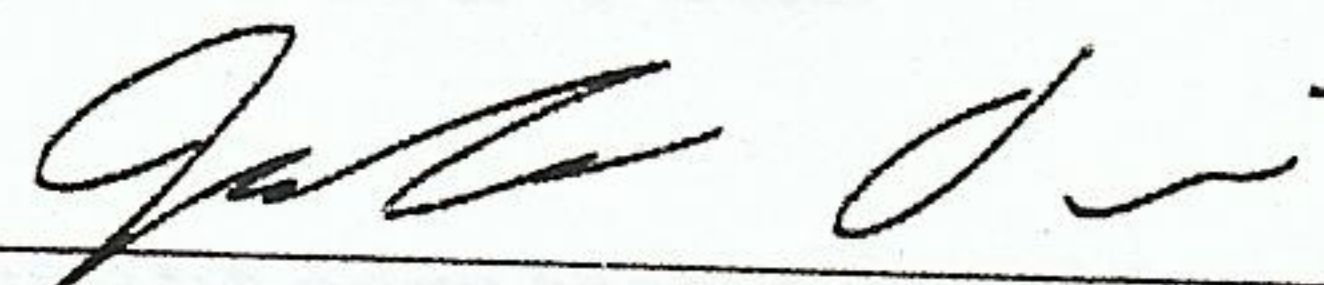
VII. PERSONAL LIABILITY

The liability of directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

VIII. INDEMNIFICATION

The Corporation shall have the power to indemnify any agent of the corporation to the fullest extent permissible under California law.

Dated: January 1, 2013



Janelle Orsi, Incorporator

I hereby certify that the foregoing is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.



FEB 5 8 2013

Date:



DEBRA BOWEN, Secretary of State

On the dissolution or winding up of the corporation, its assets remaining after payment of all debts and liabilities shall be distributed to the corporation for payment of all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable and educational purposes in accordance with Section 214 of the California Revenue and Taxation Code and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

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Janelle Orl, Incorporator

Dated January 1, 2013



I hereby certify that the foregoing transcript of 3 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

FEB 28 2013

Date: _____

KM

Debra Bowen
DEBRA BOWEN, Secretary of State

**Bylaws
of
Sustainable Economies Law Center
A California Public Benefit Corporation**

**ARTICLE 1
OFFICES**

SECTION 1. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located in Alameda County, California.

SECTION 2. CHANGE OF ADDRESS

The county of the corporation's principal office can be changed only by amendment of these bylaws and not otherwise. The board of directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these bylaws.

Dated: _____

Dated: _____

Dated: _____

SECTION 3. OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the board of directors may, from time to time, designate.

**ARTICLE 2
PURPOSES**

SECTION 1. OBJECTIVES AND PURPOSES

The primary objectives and purposes of this corporation shall be to advance charitable and educational purposes through research, education, advocacy, and legal services aimed at fostering economically and environmentally sustainable communities.

ARTICLE 3 DIRECTORS

SECTION 1. NUMBER

The corporation shall have between three (3) and seven (7) directors and collectively they shall be known as the board of directors. The number of directors at any given time shall be determined by board of directors. The minimum and maximum number may be changed by amendment of this bylaw, or by repeal of this bylaw and adoption of a new bylaw, as provided in these bylaws.

SECTION 2. POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the articles of incorporation and bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors.

SECTION 3. DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation of this corporation, or by these bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- (c) Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these bylaws;
- (e) Register their addresses with the secretary of the corporation and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

SECTION 4. TERMS OF OFFICE

Each director shall hold office until the next annual meeting for election of the board of directors as specified in these bylaws, and until his or her successor is elected and qualifies.

SECTION 5. COMPENSATION

Directors shall serve without compensation. They shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than director unless such other compensation is reasonable and is allowable under the provisions of Section 6 of this Article. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

SECTION 6. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these bylaws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

- (a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; or
- (b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

SECTION 7. PLACE OF MEETINGS

Meetings shall be held at a location determined in advance by the board of directors. Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, online chat, or other communications equipment. Participation in a meeting through use of any of the above means constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear or see comments made by one another, and given adequate time to respond prior to adopting a decision.

Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply:

- a) Each director participating in the meeting can communicate with all of the other directors concurrently;

b) Each director is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and

c) The corporation adopts and implements some means of verifying 1) that all persons participating in the meeting are directors of the corporation or are otherwise entitled to participate in the meeting, and 2) that all actions of, or votes by, the board are taken and cast only by directors and not by persons who are not directors.

SECTION 8. MEETINGS

The directors shall meet at least twice per year, one meeting of which shall be the annual meeting. At the annual meeting of directors held in July, directors shall be elected by the board of directors in accordance with this section. Cumulative voting by directors for the election of directors shall not be permitted. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Each director shall cast one vote.

SECTION 9. SPECIAL MEETINGS

Special meetings of the board of directors may be called by any director and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

SECTION 10. NOTICE OF MEETINGS

All meetings of the board must be held upon at least four (4) days' notice by delivered email, and all directors shall consent to receiving notice in this way

SECTION 11. CONTENTS OF NOTICE

Notice of meetings not herein dispensed with shall specify the place, day, and hour of the meeting. The purpose of any board meeting need not be specified in the notice.

SECTION 12. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or

approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 13. QUORUM FOR MEETINGS

A quorum shall consist of 60% of directors.

Except as otherwise provided in these bylaws or in the articles of incorporation of this corporation, or by law, no business shall be considered by the board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn. However, a majority of the directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 10 of this Article.

The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the articles of incorporation or bylaws of this corporation.

SECTION 14. BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board of directors, unless the articles of incorporation or bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233), and indemnification of directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the board.

SECTION 15. CONDUCT OF MEETINGS

Meetings of the board of directors shall be presided over by any director, chosen by a majority of the directors present at the meeting. One director shall be designated to act as secretary of each meeting of the board.

SECTION 16. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the board of directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the board of directors without a meeting and that the bylaws of this corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

SECTION 17. VACANCIES

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

The board of directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

Directors may be removed without cause by a majority of the directors then in office.

Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the attorney general.

Vacancies on the board may be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these bylaws, or (3) a sole remaining director.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the board of directors or until his or her death, resignation, or removal from office.

SECTION 18. NONLIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 19. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

To the extent that a person who is, or was, a director, officer, employee, or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative, or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue, or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 4 OFFICERS

SECTION 1. NUMBER OF OFFICERS

The officers of the corporation shall be a president, a secretary, and a chief financial officer who shall be designated the treasurer. Any number of offices may be held by the same person except that neither the secretary nor the treasurer may serve as the president or chairperson of the board.

SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

Any person may serve as an officer of this corporation. Officers shall be elected by the board of directors, at any time, and each officer shall hold office until he or she resigns, is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

SECTION 3. SUBORDINATE OFFICERS

The board of directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the board of directors.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the board of directors, at any time. Any officer may resign at any time by giving written notice to the board of directors or to the president or secretary of the corporation. Any such resignation shall

take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

SECTION 6. DUTIES OF PRESIDENT

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of directors, he or she shall preside at all meetings of the board of directors. If applicable, the president shall preside at all meetings of the members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

SECTION 7. DUTIES OF SECRETARY

The secretary shall:

Certify, keep, and provide to all directors of the corporation the original, or a copy of these bylaws as amended or otherwise altered to date.

Keep an online folder shared with all directors containing minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

SECTION 9. DUTIES OF TREASURER

Subject to the provisions of these bylaws relating to the "Execution of Instruments, Deposits, and Funds," the treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.

Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

ARTICLE 5 COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE OF THE BOARD

The board of directors may, by a majority vote of directors, designate two (2) or more of its members (who may also be serving as officers of this corporation) to constitute an executive committee of the board and delegate to such committee any of the powers and

authority of the board in the management of the business and affairs of the corporation, except with respect to:

- (a) The approval of any action which, under law or the provisions of these bylaws, requires the approval of the members or of a majority of all of the members.
- (b) The filling of vacancies on the board or on any committee that has the authority of the board.
- (c) The fixing of compensation of the directors for serving on the board or on any committee.
- (d) The amendment or repeal of bylaws or the adoption of new bylaws.
- (e) The amendment or repeal or any resolution of the board which by its express terms is not so amendable or repealable.
- (f) The appointment of committees of the board or the members thereof.
- (g) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected.
- (h) The approval of any transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below two (2) the number of its members, and fill vacancies therein from the members of the board. The committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

SECTION 2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. Such other committees may consist of persons who are not also members of the board. These additional committees shall act in an advisory capacity only to the board and shall be clearly titled as "advisory" committees.

SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members,

except that the time for regular meetings of committees may be fixed by resolution of the board of directors or by the committee. The time for special meetings of committees may also be fixed by the board of directors. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

ARTICLE 6

EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer or president.

SECTION 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

SECTION 4. GIFTS

The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE 7

CORPORATE RECORDS, REPORTS, AND SEAL

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep in an online folder shared with all directors:

(a) Minutes of all meetings of directors, committees of the board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such

meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;

(b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;

(c) A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

SECTION 2. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

SECTION 3. ANNUAL REPORT

The board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all directors of the corporation and, if this corporation has members, to any member who requests it in writing, which report shall contain the following information in appropriate detail:

(a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;

(e) Any information required by Section 7 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

ARTICLE 8 FISCAL YEAR

SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the corporation shall begin on the 1st of January and end on the 31st of December in each year.

ARTICLE 9 CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

SECTION 1. PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 2. DEFINITIONS

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (1) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or

- (3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

SECTION 3. CONFLICT OF INTEREST AVOIDANCE PRODEDURES

(a) Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 5. COMPENSATION APPROVAL POLICIES

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- (a) the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.
- (b) all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 - 1. is not the person who is the subject of compensation arrangement, or a family member of such person;
 - 2. is not in an employment relationship subject to the direction or control of the person who is the subject of compensation arrangement
 - 3. does not receive compensation or other payments subject to approval by the person who is the subject of compensation arrangement
 - 4. has no material financial interest affected by the compensation arrangement; and
 - 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- (c) the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size and purpose and with similar resources
2. the availability of similar services in the geographic area of this organization
3. current compensation surveys compiled by independent firms
4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- (d) the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
1. the terms of the compensation arrangement and the date it was approved
 2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member
 3. the comparability data obtained and relied upon and how the data was obtained.
 4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination.
 5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting.
 6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the

compensation arrangement and a taking of the votes to approve the arrangement).

7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

SECTION 6. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 7. PERIODIC REVIEWS

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

SECTION 8. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE 10 AMENDMENT OF BYLAWS

SECTION 1. AMENDMENT

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the board of directors.

ARTICLE 11 AMENDMENT OF ARTICLES

SECTION 1. AMENDMENT OF ARTICLES BEFORE ADMISSION OF MEMBERS

Before any members have been admitted to the corporation, any amendment of the articles of incorporation may be adopted by approval of the board of directors.

SECTION 2. AMENDMENT OF ARTICLES AFTER ADMISSION OF MEMBERS

After members, if any, have been admitted to the corporation, amendment of the articles of incorporation may be adopted by the approval of the board of directors and by the approval of the members of this corporation.

SECTION 3. CERTAIN AMENDMENTS

Notwithstanding the above sections of this Article, this corporation shall not amend its articles of incorporation to alter any statement which appears in the original articles of incorporation of the names and addresses of the first directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a "Statement by a Domestic Nonprofit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE 12
PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

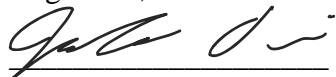
SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No member, director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these bylaws and is fixed by resolution of the board of directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the articles of incorporation of this corporation and not otherwise.


WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS

We, the undersigned, are all of the persons named as the initial directors in the articles of incorporation of the Sustainable Economies Law Center, a California nonprofit corporation, and, pursuant to the authority granted to the directors by these bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing bylaws, consisting of 21 pages, as the bylaws of this corporation.

Dated: August 21, 2013


Janelle Orsi, Director


Emily Bolt, Director


Linda Barrera, Director

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the bylaws of the corporation named in the title thereto and that such bylaws were duly adopted by the board of directors of said corporation on the date set forth below.

Dated: August 21, 2013


Emily Bolt, Secretary

Date of this notice: 03-07-2013

Employer Identification Number:
46-2210531

Form: SS-4

Number of this notice: CP 575 A

SUSTAINABLE ECONOMIES LAW CENTER
% JANELLE ORSI
84 MONTE VISTA AVE APT 3
OAKLAND, CA 94611

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 46-2210531. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 941	04/30/2014
Form 940	01/31/2015
Form 1120	03/15/2014

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

IMPORTANT INFORMATION FOR S CORPORATION ELECTION:

If you intend to elect to file your return as a small business corporation, an election to file a Form 1120-S must be made within certain timeframes and the corporation must meet certain tests. All of this information is included in the instructions for Form 2553, *Election by a Small Business Corporation*.

If you are required to deposit for employment taxes (Forms 941, 943, 940, 944, 945, CT-1, or 1042), excise taxes (Form 720), or income taxes (Form 1120), you will receive a Welcome Package shortly, which includes instructions for making your deposits electronically through the Electronic Federal Tax Payment System (EFTPS). A Personal Identification Number (PIN) for EFTPS will also be sent to you under separate cover. Please activate the PIN once you receive it, even if you have requested the services of a tax professional or representative. For more information about EFTPS, refer to Publication 966, *Electronic Choices to Pay All Your Federal Taxes*. If you need to make a deposit immediately, you will need to make arrangements with your Financial Institution to complete a wire transfer.

The IRS is committed to helping all taxpayers comply with their tax filing obligations. If you need help completing your returns or meeting your tax obligations, Authorized e-file Providers, such as Reporting Agents (payroll service providers) are available to assist you. Visit the IRS Web site at www.irs.gov for a list of companies that offer IRS e-file for business products and services. The list provides addresses, telephone numbers, and links to their Web sites.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is SUST. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

POLICIES FOR SHAREABLE CITIES

A SHARING ECONOMY POLICY PRIMER FOR URBAN LEADERS

SEPTEMBER 9, 2013



This primer was produced through a partnership between two nonprofits, Shareable and the Sustainable Economies Law Center.

SHaReaBLe



**Sustainable
Economies
Law Center**

CREDITS

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[The Sustainable Economies Law Center](#) (SELC), a nonprofit that charts the legal territory of the new economy, educating people about the possibilities and limits of creative economic structures, and advocating for laws that clear the way for community resilience.

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PREFACE

In 2009, we first wrote about [shareable cities](#) at [Shareable](#), a leader of the global sharing movement:

Cities are where we gather, in part, to share basic infrastructure, to socialize, to satisfy our human instinct to congregate, to make culture together. The call for Shareable Cities simultaneously inspires us to imagine a transformed urban culture but also to notice the invisible ways we already share life all the time.

-Chris Carlsson, Shareable author

We believed then as we do now, that the sharing economy can democratize access to goods, services, and capital – in fact all the essentials that make for vibrant markets, commons, and neighborhoods. It's an epoch shaping opportunity for sustainable urban development that can complement the legacy economy. Resource sharing, peer production, and the free market can empower people to self-provision locally much of what they need to thrive.

Yet we've learned that current U.S. policies often block resource sharing and peer production. For example, in many cities, laws do not allow the sale of home-grown vegetables to neighbors, donation-based ridesharing services, or short-term room rentals. Even when legacy institutions are failing to serve, which is increasingly the case, citizens are not free to share with or produce for each other. New policies are needed to unlock the 21st Century power of cities as engines of freedom, innovation and shared prosperity.

In 2011, we partnered with the Sustainable Economies Law Center (SELC) to publish a [15-part series on policies for shareable cities](#). It was the first published exploration of the topic. This primer is a culmination of that work. As always, SELC did the bulk of the legal research and writing. Shareable contributed editorial direction, project management, and funding. Together we offer you a curated set of policy recommendations on four pocket-book issues and priorities of mayors everywhere – transportation, food, housing, and jobs.

In addition, this primer reflects input from dozens of leaders from the worlds of law, government, urban planning, business, and alternative economics. We believe the recommendations appeal to different political orientations and sectors of society. And while the primer focuses on what we know best – policies in U.S. cities – we believe that the examples are relevant to cities the world over.

As we welcomed diverse input to the primer, we welcome your involvement too:

Stoke the conversation. Share the primer on social media with the hashtag #PFSC. Join the conversation on Shareable [here](#). Add your observations and critiques. Above all, advocate for the policies you believe will help your city. You'll join a growing number of people working to democratize urban economies around the world. Please join our mailing lists [here](#) and [here](#) to connect to this community.

Sincerely,

A handwritten signature in black ink, reading "Neal Gorenflo". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Neal Gorenflo, Co-founder, Shareable

INTRODUCTION: CITIES AND THE SHARING ECONOMY

Cities are built for sharing. It's what makes cities engines of prosperity, innovation, and cultural exchange. Well connected cities have the unique capacity to raise per capita production and innovation while using dramatically less energy. For this reason, cities may be our best hope for achieving widespread prosperity within the earth's natural limits.

Today, new circumstances have created an unprecedented opportunity to amplify cities as platforms for sharing. People are already acting on this opportunity. Driven by economic need and empowered by new technologies, they're creating new, more resilient ways of providing food, jobs, housing, goods, and transportation for themselves and each other in cities.

This is the sharing economy. It is characterized by an explosion of practices such as carsharing, ridesharing, cooperatives, community farms, shared housing, shared workspaces, and a multitude of new micro-enterprises made possible by platforms that connect supply and demand at the peer-to-peer level.

This marks a significant departure from the ways that Americans have met their material needs over the last century. For example, instead of buying cars – and using valuable city space to park them – people are sharing cars, thereby reducing burdens on citizens, city infrastructure, and the environment. Instead of relying upon emergency rooms, preventative eldercare can be delivered through a peer-to-peer marketplace or a time dollar program. Instead of using hotels when traveling, they are choosing to stay in the homes of private citizens through the use of peer accommodation markets.

The sharing economy has deep implications for how cities design urban spaces, create jobs, reduce crime, manage transportation, and provide for citizens. As such, the sharing economy also has deep implications for policy making. The sharing economy challenges core assumptions made in 20th century planning and regulatory frameworks – namely, that residential, commercial, industrial, and agricultural activities should be physically separated from one other, and that each single family household operates as an independent economic unit. The sharing economy brings people and their work back together through sharing, gifting, bartering, and peer-to-peer buying and selling. City governments can increasingly step into the role of facilitators of the sharing economy by designing infrastructure, services, incentives, and regulations that factor in the social exchanges of this game changing movement.

We believe that fostering the growth of the sharing economy is the single most important thing that city governments can do to boost prosperity and resilience in times of economic crisis and climate change. This is a guide for urban policy makers and planners who want the best for their cities.



I. SHAREABLE TRANSPORTATION

In the sharing economy, transportation is about accessibility, not ownership. By facilitating access to shared cars (carsharing), shared trips (ridesharing), and bikes (public bikesharing), cities can reduce road congestion and air pollution, reduce personal vehicle ownership and associated costs,¹ reduce parking demand, repurpose valuable land dedicated to parking spaces,² enhance mobility for those who do not own a car, and increase use of alternative modes of transportation like public transit, walking, or biking.³

Shareable transportation is a smart way to decrease our astounding levels of wasted and underutilized transportation resources. Privately owned vehicles in the U.S. sit idle more than 90% of the day, on average;⁴ carsharing reduces this waste while increasing car access.⁵ Ridesharing fills empty seats in private vehicle trips reducing road congestion and parking demand. Bikesharing systems around the world have increased cycling populations and supported a modal shift from motor vehicle travel to cycling,⁶ increas-

1 Martin, Elliot and Susan Shaheen, "Greenhouse Gas Emission Impacts of Carsharing in North America," IEEE Transactions on Intelligent Transportation Systems, Volume 12, Issue 4: 1074-1086 (2011).

2 Shaheen, Susan, Cohen, Adam, "Innovative Mobility Carsharing Outlook: Carsharing Market Overview, Analysis, and Trends," Transportation Sustainability Research Center [5 Dec. 2012], <http://tsrc.berkeley.edu/node/629>.

3 Bieszczat, Alice, Schwieterman, Joe, "My Car, Your Car," Magazine of the American Planning Association pp. 37-40 (May/June 2012).

4 Hampshire, Robert C., Gaites, Craig, "Peer-to-Peer Carsharing: Market Analysis and Potential Growth," Transportation Research Record Vol 2217 (2011).

5 Cervero, Robert, "TOD and Carsharing: A Natural Marriage," ACCESS, Vol 35 P. 28 (Fall 2009).

6 Shaheen, Susan, Guzman, Stacey, "Worldwide Bikesharing," ACCESS, Vol 39 P. 24 (Fall 2011).

ing transit connections and use, decreasing greenhouse gas emissions, and improving public health.⁷ These solutions convey noteworthy economic, time, public health, and environmental cost savings both to users and to cities.

Carsharing can take several forms. Models range from Personal Vehicle Sharing, or “Peer-to-Peer” (P2P)⁸, where individuals share access to personal vehicles in order to offset the costs of ownership, to “Business-to-Consumer” (B2C), where carsharing companies make their fleet of vehicles available to members of that service. Carsharing can be administered casually, such as by a group of neighbors who purchase a car for shared use, or it can be administered formally, such as by for-profit companies, governments, or nonprofits that own and operate a fleet of vehicles available to members at unattended access points throughout a region.

Ridesharing has recently been made simpler and more streamlined than ever, thanks to technological innovations that make it efficient to find a shared ride. Ridesharing can be facilitated in a variety of ways, including by nonprofit ride matching sites, ridesharing companies, employers, neighborhoods, and casual carpooling.

Public Bikesharing is an efficient, environmentally sound, and economically feasible form of public transportation⁹ that can even offer public health benefits. Intended for short distance trips between 0.5 to 3 miles,¹⁰ bikesharing systems allow flexibility to rent and return bicycles at any station across the region served and thereby facilitate one-way travel. Bikesharing addresses the “first and last mile” conundrum that is a challenge for public transit users and planners alike.¹¹ Bikesharing systems can be privately-operated, publicly owned and operated, and even run by community-focused non-profits.¹²

Shareable transportation is growing globally¹³ – and for good reason. It’s time for more cities to hop on board and reap the benefits. That said, the above recommendations should not be seen as a replacement for continued investment in public transportation such as subways, light rail, and bus. The new modes reviewed above should be integrated into transportation planning, complement if not stimulate use of existing public transportation, and offer the public additional transportation choices.

7 DeMaio, Paul. “Bike-sharing: History, Impacts, Models of Provision, and Future,” *Journal of Public Transportation* Vol. 12, No. 4 (2009), <http://nacto.org/wp-content/uploads/2012/02/Bike-sharing-Models-of-Provision-Paul-DeMaio-09-12.pdf>.

8 Shaheen, Susan, Mark Mallory, and Kingsley, Karla, “Personal Vehicle Sharing Services in North America,” *Research in Transportation Business & Management* (2012).

9 Shaheen, Susan, Guzman, Stacey, “Worldwide Bikesharing,” *ACCESS*, Vol 39 (Fall 2011), [http://tsrc.berkeley.edu/sites/tsrc.berkeley.edu/files/Worldwide%20Bikesharing.pdf.](http://tsrc.berkeley.edu/sites/tsrc.berkeley.edu/files/Worldwide%20Bikes%20sharing.pdf)

10 “Bike Sharing in the United States: State of the Practice and Guide to Implementation,” *Federal Highway Administration*, U.S. Department of Transportation (Sep. 2012).

11 “Seattle Bicycle Share Feasibility Study,” *Bike-Share Studios*, University of Washington College of Built Environments. Available at: <http://www.bicyclinginfo.org/library/details.cfm?id=4719>.

12 Shaheen, Susan, “Early Understanding of Public Bikesharing in North America,” *CalACT 2012 Autumn Conference*. Powerpoint Presentation p. 10 (Sep. 2012), http://www.calact.org/assets/conferences/2012%20Fall%20Conference/Bike-Sharing_Shaheen.pdf.

13 Shaheen, Susan, Cohen, Adam, “Growth in Worldwide Carsharing: An International Comparison,” *Transportation Research Record: Journal of the Transportation Research Board* 1992 pp. 81-89 (2007).

WHAT STEPS CAN A CITY TAKE TO PROMOTE SHAREABLE TRANSPORTATION?

1. DESIGNATED, DISCOUNTED, OR FREE PARKING FOR CARSHARING

We recommend that cities designate parking spaces for carsharing vehicles, particularly near public transit facilities and multi-unit housing.

Carsharing users most commonly cite convenient locations and guaranteed parking as major motivation for participation, and carsharing operators most commonly cite lack of access to a dense network of parking spaces for carsharing as a limit to expansion.¹⁴ Cities can therefore increase carsharing participation by making parking spaces available for shared vehicles both on streets and in off-street public lots and garages.¹⁵

City policies can include:

- (a) provisions for on-street parking
- (b) exemptions to parking time limits
- (c) creation of carsharing parking zones
- (d) free or reduced cost parking spaces or parking permits
- (e) universal parking permits (i.e., carsharing vehicles can be returned to any on-street location)
- (f) formalized processes for assigning on-street parking spaces¹⁶

Examples:

Washington, D.C. – D.C. began offering free on-street parking spaces to carsharing operators in 2005 and later auctioned 84 curbside spots to three operators, generating almost \$300,000 in revenue. This pioneering parking strategy was a “win-win” for the city and carsharing providers, and added convenience for carshare users.¹⁷

San Francisco, CA – On July 1, 2013, San Francisco will extend its earlier six month on-street carshare parking pilot as a part of the SFMTA’s proposed carsharing policy.¹⁸ The idea behind leasing parking spaces to carsharing operators in densely populated areas is to increase vis-

¹⁴ Id.

¹⁵ Shaheen, Susan, Adam P. Cohen, and Martin, Elliot, “Carsharing Parking Policy: Review of North American Practices and San Francisco, California, Bay Area Case Study,” Transportation Research Record: Journal of the Transportation Research Board 2187 (2011).

¹⁶ Id.

¹⁷ Bieszczat, Alice, Schwieterman, Joe, “My Car, Your Car,” Magazine of the American Planning Association pp. 37-40 (May/June 2012).

¹⁸ SFMTA. Draft Car Sharing Policy and Pilot Project. January 31, 2013 (Unpublished, on file with author).

ibility and accessibility of carsharing¹⁹. Meanwhile the bulk of carsharing parking is provided off-street in municipal parking lots at a discounted carpool rate (approximately 50% of the full monthly rate).²⁰

2. INCORPORATE CARSHARING PROGRAMS IN NEW MULTI-UNIT DEVELOPMENTS

We recommend that cities subsidize, incentivize, or require car-sharing programs in new multi-unit developments.

Close proximity of a carsharing vehicle relieves many households from needing a second car or from owning a vehicle altogether.²¹ The shared vehicle can be administered by a condo-owners' association or apartment management, or by a third party carsharing program.

Example:

San Francisco, CA – The city's Planning Code now requires that newly constructed buildings provide permanent carshare parking spaces and that certain nonresidential developments dedicate five percent of their parking spaces to "short-term, transient use by vehicles from certified car sharing organizations" or other similar "co-operative auto programs."²² Ordinance 286-10 authorizes the Planning Commission to require developers or project owners to pay annual carsharing membership fees for residents of new developments.²³ In addition, the city granted a variance to construct the 141-unit Symphony Towers apartments with only 51 parking spaces (as opposed to the otherwise required 141), in part because of the commitment for two carsharing parking spaces and because the tenants were to pay extra for the use of a parking space, thereby disincentivizing car ownership.²⁴

3. ALLOW RESIDENTIAL PARKING SPOT LEASING FOR CARSHARING

We recommend that cities allow residents to lease residential parking spaces for the purpose of parking shared vehicles.

By allowing residential driveways and parking spaces to be leased as an accessory or permitted use of a residential property, cities can enable

19 "San Francisco Begins On-Street Car Sharing Pilot: 11 On-Street Spaces to be Tested During Six-Month Pilot Starting Today," San Francisco Metropolitan Transportation Authority Press Release (3 Oct. 2011), <http://www.sfmta.com/cms/apress/SanFranciscoBeginsOn-streetCarSharingPilot11on-streetspacestobetestedduringsix-monthpil.htm>

20 Shaheen, Susan, Adam P. Cohen, and Martin, Elliot. "Carsharing Parking Policy: Review of North American Practices and San Francisco, California, Bay Area Case Study," Transportation Research Record: Journal of the Transportation Research Board 2187 (2011).

21 Cervero, Robert, "TOD and Carsharing: A Natural Marriage," ACCESS, Vol 35 P. 28 (Fall 2009).

22 San Francisco Planning Code Section 166(d)(1).

23 San Francisco Ordinance 286-10. Available at: <http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances10/o0286-10.pdf>.

24 "Reforming Parking Policies to Support Smart Growth," Metropolitan Transportation Commission (June 2007), http://www.mtc.ca.gov/planning/smart_growth/parking/parking_seminar/Toolbox-Handbook.pdf

homeowners to earn supplemental income for unused or underutilized residential parking, and create room for the growth of carsharing.

4. APPLY MORE APPROPRIATE LOCAL TAXES ON CARSHARING

We recommend that cities more closely align taxes on carsharing with the general sales tax for other goods and services.

Unreasonably high fees and taxes – originally intended to extract revenue from car rentals of airport travelers – are disproportionately affecting local carsharing users²⁵ slow the growth of carsharing.²⁶ Policymakers should use codified definitions or certification processes to distinguish between traditional car rental companies and carsharing organizations and ensure that only organizations generating significant public benefits would receive reduced taxation.²⁷ At the very least, cities should make carsharing tax exempt in lower income urban areas with disadvantaged populations and high unemployment; foregoing tax revenue in these areas may be a small price to pay for the mobility benefits that sharing vehicles provides underserved residents.²⁸

Examples:

Chicago, IL, Boston, MA, and Portland, OR – These cities have made noteworthy efforts to lower carsharing tax rates with political success. They make distinctions between carsharing and traditional car rental in their municipal codes.”²⁹

5. CREATE ECONOMIC INCENTIVES FOR RIDESHARING

We recommend that cities create and promote economic incentives for ridesharing, like high-occupancy vehicle (HOV) lanes, designated or discounted parking, or waived or reduced tolls.

Cities can encourage carpooling by building or expanding HOV lanes along high-traffic routes. Demand for ridesharing typically exists along routes where carpooling lanes offer significant time savings or allow carpoolers to take advantage of direct economic incentives like waiver of tolls and discount parking.³⁰

25 Bieszczat, Alice, Schwieterman, Joe, “My Car, Your Car,” Magazine of the American Planning Association pp. 37-40 (May/June 2012).

26 Bieszczat, Alice and Joseph Schwieterman, “Are Taxes on Car-Sharing Too High? A Review of the Public Benefits and Tax Burden of an Expanding Transportation Sector,” Chaddick Institute for Metropolitan Development, DePaul University (28 June 2011).

27 Id.

28 Id.

29 Id.

30 Poole Jr., Robert W. “Introducing Congestion Pricing on a New Toll Road.” Transportation, Vol. 19, Issue 4 (1992).

6. DESIGNATE RIDESHARING PICK-UP SPOTS AND PARK-AND-RIDE LOTS

We recommend that cities help meet demand for ridesharing by designating convenient locations as casual carpool pick-up spots and park-and-ride lots.

For decades, casual carpool, or “slugging,” has been taking place in U.S. cities with congested roadways, including in Washington, D.C., Houston, Seattle, and in areas where HOV lanes offer significant travel time reduction in peak travel times, like the San Francisco-Oakland Bay Bridge.³¹ Designating ridesharing pick-up spots is as easy as putting up a sign near a congested thoroughfare or freeway onramp to encourage carpoolers to gather, connect with drivers going the same way, and take advantage of the time and cost savings of HOV lanes.

In cases where ridesharing is not possible for one’s entire commute, park-and-ride lots make it possible for commuters to park and consolidate into fewer vehicles before embarking on the remainder of their trip. In many cases, cities do not even need to build new parking for this purpose, but could rather contract with parking lots that are typically not used during weekdays, such as church parking lots.

7. CREATE A LOCAL OR REGIONAL GUARANTEED RIDE HOME PROGRAM

We recommend that cities and regional agencies offer a Guaranteed Ride Home program to serve carpoolers in the event of unexpected emergencies.

Many people choose not to carpool because they feel insecure about the fact that they cannot leave work at any time in case of emergency. Cities and regions with Guaranteed Ride Home programs give carpoolers peace of mind by covering the cost of a taxi ride or rental car in the event of emergencies or in case of an unexpected departure of the carpool partner(s).

Examples:

Minneapolis, MN – The Guaranteed Ride Home program offers four rides or up to \$100 (whichever comes first) each year to commuters who ride the bus, light rail, or carpool, vanpool, bicycle or walk to work or school at least three times per week.³²

31 Kilborn, Peter T., “To Commute to Washington, the Early Bird Gets ‘Slugs’,” New York Times (29 April 2003), <http://www.nytimes.com/2003/04/29/us/to-commute-to-capital-early-bird-gets-slugs.html>.

32 See: “Guaranteed Ride Home,” MetroTransit, <https://www.metrotransit.org/guaranteed-ride-home.aspx>.

Other Cities with Similar Programs: Atlanta (five free rides per year)³³, Baltimore/Central Maryland/D.C. Area (four per year)³⁴, Alexandria, Virginia (four per year)³⁵, Los Angeles (two per year)³⁶, and many other cities.

8. ADOPT A CITY-WIDE PUBLIC BIKESHARING PROGRAM

The most common reason for not bicycling is lack of access to a bicycle.³⁷ We recommend that cities create and manage city-wide bike sharing programs to provide that access.

Bikesharing programs enable individuals who may otherwise not use bicycles (i.e. tourists, individuals who do not own a bicycle, or those who do not have access to bicycle storage) to enjoy the benefits of cycling on an “as-needed” basis and without the responsibility of ownership.³⁸

Sample Bikesharing Funding Strategies:

Washington, DC: The \$6M Capital Bikeshare program is funded by the U.S. Department of Transportation’s Federal Highway Administration under their Congestion Mitigation and Air Quality Improvement fund and other local funding.³⁹

Minneapolis-Saint Paul, MN: Funding for the initial \$3 million capital cost of launching Nice Ride included \$1.75 million from the federal Non-motorized Transportation Pilot Program administered by Bike Walk Twin Cities and Transit for Livable Communities (TLC), as well as \$1 million of tobacco settlement proceeds from Blue Cross and Blue Shield of Minnesota, and \$250,000 from the Minneapolis Convention Center fund.⁴⁰

Boston, MA: Boston’s Hubway bikeshare program is completely funded by grants totaling \$4.5 million including \$3 million from the Federal Transit Administration (FTA), \$450,000 from the Boston Public Health Commission (BPHC) and \$250,000 from the Metropolitan Planning Organization’s Congestion Mitigation and Air Quality (CMAQ) grant program.⁴¹

33 See: “Guaranteed Ride Home,” Georgia Commute Options, <http://www.gacommuteoptions.com/Commuter-Services/Make-It-Easier/Resources-Ridematching-Guaranteed-Ride-Home-and-Transit-Route-Info/Guaranteed-Ride-Home>.

34 See: “Guaranteed Ride Home,” Metropolitan Washington Council of Governments, <http://www.mwcog.org/commuter2/commuter/grh/index.html>.

35 See: “Guaranteed Ride Home,” Department of Transportation & Environmental Services, <http://alexandriava.gov/localmotion/info/default.aspx?id=11138>.

36 See: “Guaranteed Ride Home,” LA County Metropolitan Transportation Authority, <http://www.metro.net/about/commute-services/guaranteed-ride-home/>.

37 Royal, Dawn and Darby Miller-Steiger, “National Survey of Bicyclist and Pedestrian Attitudes and Behavior,” National Highway Traffic Safety Administration (Aug. 2008), <http://www.nhtsa.gov/Driving+Safety/Research+&+Evaluation/National+Survey+of+Bicyclist+and+Pedestrian+Attitudes+and+Behavior>.

38 “Bikesharing,” University of California, Berkeley Transportation Sustainability Research Center, <http://tsrc.berkeley.edu/bikesharing>.

39 Shaheen, Susan, “What Makes Bikesharing Successful: Lessons Learned,” Presentation at LA Metro Bikesharing Workshop, Los Angeles, California (Dec. 2011). Available at: <http://www.tsrc.berkeley.edu/presentations>.

40 Id.

41 Id.

Denver, CO: Initial funding for B-Cycle came from a \$1 million donation from the Denver 2008 Convention Host Committee, and Kaiser Permanente granted a three-year \$450,000 grant. Additional contributions came from key private foundations and corporations, making Denver B-Cycle entirely independent from city tax dollars.⁴²

Recommended Guide: The FHA's definitive 2012 guide for feasibility, implementation and evaluation of bikesharing operations in the U.S.⁴³

⁴² Id.

⁴³ See: "Bike Sharing in the United States: State of the Practice and Guide to Implementation," Prepared by Toole Design Group and the Pedestrian and Bicycle Information Center on behalf of the USDOT Federal Highway Administration (Sep. 2012), <http://www.bicyclinginfo.org/promote/bikeshare-intheus.pdf>



II. FOOD AND THE SHARING ECONOMY

In a sharing economy, individuals look less to big chain stores to meet their food needs, and look more to each other. Food travels fewer miles between producers and consumers, making fresher, tastier, and often healthier food more accessible to city residents. Urban farms, food gleaning programs, community-supported food enterprise, home-based food enterprise, mobile vending, and shared commercial kitchens build food economies based on local production, processing, and exchange. This approach promotes health, local jobs, and community interaction, while reducing the environmental degradation, food insecurity, health risks, and unequal access associated with industrial agriculture and disjointed food systems. Cities can play a major role in removing legal barriers and facilitating the transition to community-based food production.

HOW CAN A CITY HARNESS THE SHARING ECONOMY TO EXPAND LOCAL FOOD PRODUCTION AND IMPROVE ACCESS TO GOOD FOOD FOR ITS RESIDENTS?

1. ALLOW URBAN AGRICULTURE AND NEIGHBORHOOD PRODUCE SALES

We recommend that cities allow and encourage urban agriculture by removing zoning barriers to growing and selling produce.

Urban agriculture has a long history in America, but increasing evidence of its benefits has expanded urban agriculture into a spectrum of farming practice

ranging from non-commercial community gardens to commercial market farms.⁴⁴ Because many city zoning laws pose a challenge to urban food production and sale, some cities have taken concrete steps to encourage these activities.

Examples:

San Francisco, CA – San Francisco created a new land use category called “Neighborhood Agriculture” and permitted the activity in most residential, commercial, and industrial areas. This allows community gardens, community-supported agriculture, market gardens, and commercial farms of less than one acre to sell or donate their produce.⁴⁵ The ordinance also outlines rules for greenhouses, compost, fencing, and use of heavy machinery, and allows produce grown in a municipally defined “market garden” to be sold on-site during certain hours of the day as long as the sales occur outside the home.⁴⁶

Oakland, CA – In 2011, Oakland amended the Home Occupation Permit rules to enable the sale of food crops grown on residential properties.⁴⁷

Seattle, WA – Seattle permits urban farms of any size to sell produce grown on the premises in all zones, so long as neighborhood livability requirements and standards are met.⁴⁸ These standards include provisions that retail sales and related public activities occur between 7 a.m. and 7 p.m., that deliveries may only occur once per day, and that vehicle and parking limits be observed.⁴⁹

Philadelphia, PA – In 2012, Philadelphia implemented a new zoning code that defines urban agriculture in four subcategories: community gardening, market and community-supported farming, horticultural nurseries or greenhouses, and animal husbandry.⁵⁰ Under the new code, community gardening is permitted in all zoning districts. Market and community-supported farms are permitted almost as broadly, but require a special review in certain districts.

44 Calfee, Corinne, Weissman, Eve, “Permission to Transition: Zoning and the Transition Movement,” *Planning & Environmental Law: Issues and decisions that impact the built and natural environments* 64:5 at 4 (2012).

45 Id.

46 San Francisco Planning Code § 102.35 (2011).

47 Oakland Planning Code § 17.112

48 Goldstein, Mindy et al., *Turner Environmental Law Clinic at Emory Law, Urban Agriculture: A Sixteen City Survey of Urban Agriculture Practices Across the Country*, 20 (2011). Available at: <http://www.georgiaorganics.org/Advocacy/urbanagreport.pdf>

49 Id.

50 See: Philadelphia Code Title 14 Zoning and Planning at § 601-602.

2. FINANCIAL INCENTIVES TO ENCOURAGE URBAN AGRICULTURE ON VACANT LOTS

We recommend that cities provide a tax credit to property owners who farm vacant or under-utilized lots, as such activities create food sources, economic opportunity, and civic engagement in otherwise blighted areas.⁵¹

A recent study from the University of Pennsylvania School of Medicine showed that community gardens contribute to an increased sense of safety in neighborhoods, and are associated with a decrease in crime in surrounding areas.⁵² Tax credits create an attractive incentive for property owners to open their land to community gardening or urban farming uses, with desirable public health and safety outcomes for cities.

Examples:

Maryland – Maryland passed a bill allowing municipalities to provide a tax credit for real properties used for urban agriculture.⁵³ To be eligible for the tax credit, urban real property in a “Priority Funding Area,”⁵⁴ between one-eighth of an acre and two acres in size, must be used exclusively for agriculture.⁵⁵

Philadelphia, PA –Philadelphia utilizes a carrot and stick approach for owners of vacant and abandoned lots – assessing a yearly vacant lot registry fee, which is reduced if the land is cultivated and which may be eliminated altogether if the garden is registered under the new zoning code.⁵⁶ Philadelphia also charges higher fees on properties if they have a greater area of impervious surface, recognizing that all impervious surfaces generate runoff that overtaxes the storm water drainage system.⁵⁷ This incentivizes all property owners in the city to decrease pavement where possible, and indirectly incentivizes creation of gardens.

51 Garvin, Eugenia C. et al., “Greening vacant lots to reduce violent crime: a randomised controlled trial,” *Journal of Injury Prevention* University of Pennsylvania (2012), <http://injuryprevention.bmj.com/content/early/2012/08/06/injuryprev-2012-040439.abstract>.

52 Id.

53 Calfee, Corinne, Weissman, Eve, “Permission to Transition: Zoning and the Transition Movement,” *Planning & Environmental Law: Issues and decisions that impact the built and natural environments* 64:5 (2012), citing H.B. 1062, 427th Leg. (Md. 2010), <http://mlis.state.md.us/2010rs/billfile/hb1062.htm>.

54 Priority Funding Areas are those areas that Maryland state and local governments have designated for encouragement and support of economic development and new growth, including the entire area inside the Washington and Baltimore Beltways and urban and dense suburban locations. Pearce, Will, “Maryland General Assembly 2010 Session: A Summary of Green Building-Related Legislation,” *Green Building Law Brief*. Available at: <http://greenbuildinglawbrief.blogspot.com/2010/04/maryland-general-assembly-2010-session.html>.

55 Id.

56 See generally: Philadelphia Code, Title 14 Zoning and Planning.

57 Gardens and other open spaces can get a credit for up to 80% pervious surface, but are still currently charged a minimum stormwater fee, even if they are 100% pervious. “Stormwater Billing,” Philadelphia Water Department (2012), http://www.phila.gov/water/Stormwater_how.html.

3. CONDUCT LAND INVENTORIES

We recommend that cities conduct or support land inventories that explore the potential for food cultivation on unused land.

Beginning in World War I, land surveys have been used in the United States to identify optimal urban and suburban farming land. The National War Commission used the slogan “put the slacker lands to work,” implying that any tillable lands not being used for food production were slacking off. During World War II, individuals and families produced up to 44 percent of the country’s vegetables in “victory gardens.”⁵⁸

Examples:

San Francisco, CA – In 2009, former Mayor Gavin Newsom issued a directive asking the city “to conduct an audit of unused land—including empty lots, rooftops, windowsills, and median strips—that could be turned into community gardens or farms.”⁵⁹

Portland, OR – In 2004, the city council unanimously passed Resolution 36272 calling for an inventory of city-owned lands suitable for agricultural uses.⁶⁰ The end result was a publication entitled “The Dig-gable city: Making Urban Agriculture a Planning Priority.”⁶¹

4. UPDATE THE ZONING CODE TO MAKE “FOOD MEMBERSHIP DISTRIBUTION POINTS” A PERMITTED ACTIVITY THROUGHOUT THE CITY

We recommend cities allow food distribution points in order to increase access to local food while protecting zoning interests.

Community Supported Agriculture programs (CSAs) are an essential component of a robust food economy and an effective way for small, sustainable farmers to get their products to consumers. During regular delivery of fresh produce to distribution points within cities, a CSA farmer may leave 30 boxes of produce at one CSA member’s home, and allow the remaining 29 members to get their box at their convenience. Such distribution points are vital for the localization of food systems, but many city zoning laws prohibit this out of concern for neighborhood traffic and in order to preserve the character of residential areas. However, by adopting guidelines for food distribution points, cities can address these concerns and simultaneously support food distribution points.

⁵⁸ Orsi, Janelle, “Policies for a Shareable City #11: Urban Agriculture,” Shareable.net, <http://www.shareable.net/blog/policies-for-a-shareable-city-11-urban-agriculture>.

⁵⁹ Calfee, Corinne, Weissman, Eve, “Permission to Transition: Zoning and the Transition Movement,” Planning & Environmental Law: Issues and decisions that impact the built and natural environments 64:5 (2012); citing Josh Harkinson, “San Francisco’s Latest Eco-Innovation: Growing Product Almost Everywhere,” Mother Jones (9 July 2009), <http://www.motherjones.com/blue-marble/2009/07/san-franciscos-latest-eco-innovation-city-effort-grow-produce-almost-everywhere>.

⁶⁰ Id.

⁶¹ Available at: <http://www.community-wealth.org/content/diggable-city-making-urban-agriculture-planning-priority>.

Example:

Portland, OR – In 2012, Portland updated its zoning code to make food distribution an accessory use in all zones. CSA supporters, food buying clubs, and market gardens lobbied for the code change to ensure diverse methods of food access. In order to preserve the character of neighborhoods, the ordinance delineates the types of food distribution activities that are allowed, and includes regulations addressing the size and frequency of distribution, hours for pick-up, and locations for outdoor activities.⁶²

5. ALLOW PARKS AND OTHER PUBLIC SPACES TO BE USED FOR FOOD SHARING

We recommend that cities remove restrictions on food sharing in public places because these rules only criminalize the poor, burden our public institutions, and reduce a community's capacity to respond to local hunger.

One in six Americans experiences hunger and food insecurity. The problem is not one of insufficient supply, but of insufficient access. Many city ordinances restrict food sharing in public places even when so many go hungry. Allowing people to share food publicly is an opportunity to build community and ensure that fewer people are struggling to find their next meal.

Example:

Ft. Myers, FL – In 2007, Ft. Myers attempted to implement an ordinance that would limit food sharing in public parks. The city abandoned the ordinance after receiving a negative public response, and instead turned to food advocates to collaborate on a new approach to food sharing. Out of this collaboration came a Hunger Task Force which coordinates public food sharing efforts.⁶³

⁶² Portland, Oregon Urban Food Zoning Code Update, Adopted and Effective June 13, 2012. Available at: <http://www.portlandoregon.gov/bps/article/402598>

⁶³ "A Place at the Table: Prohibitions on Sharing Food with People Experiencing Homelessness," National Coalition for the Homeless & The National Law Center on Homelessness and Poverty (July 2010), http://www.nationalhomeless.org/publications/foodsharing/Food_Sharing_2010.pdf; Donlan, Francesca, "Hunger numbers in Lee County are Staggering," News-press.com (8 May 2009), <http://www.news-press.com/article/20090509/HUNGER/90508061/Hunger-numbers-Lee-County-staggering>

6. CREATE FOOD-GLEANING CENTERS AND PROGRAMS

We recommend that cities support the establishment of food gleaning and redistribution centers to reroute some of the 40% of food Americans throw away each year.

Food producers and distributors are responsible for a large portion of food waste. Gleaning centers consolidate and distribute nutritionally sound but non-commercially viable food to people in need.⁶⁴

Example:

Iowa City, IA – The public school district in Iowa City received funding from the USDA to test a food gleaning initiative. In order to allow safe and easy transportation of recovered food, they used the money to purchase transport vans and carriers, a freezer to store their frozen food, and training materials on safe handling procedures for the staff and students.⁶⁵

7. MOBILE FOOD VENDING

We recommend that cities recognize mobile markets and food trucks as a low cost way for food entrepreneurs to enter the market, reach consumers, and create a diverse and resilient food economy.

New food businesses have high barriers to entry, including high rent, and build-out and permitting costs that often run in the hundreds of thousands of dollars.⁶⁶ Allowing mobile vendors to sell fresh produce, value-added products, and meals not only reduces barriers to launching new food businesses, it also provides diverse food options to consumers who might otherwise have limited choices.

Chicago, IL – An ordinance passed on June 6, 2012 allows licensed produce vendors to sell "whole and uncooked agricultural, plant-based items, including, but not limited to, fruits, vegetables, legumes, edible grains, nuts, spices, herbs and cut flowers" on moveable stands.⁶⁷ The city-funded Neighbor Carts program grew out of this decision: it helps get food into food deserts and creates new food vending jobs. Licenses cost \$75, and the Neighbor Cart program provides carts for lease, training support, and a product-sourcing channel.⁶⁸

⁶⁴ "Let's Glean! United We Serve Toolkit," USDA (2009), http://www.usda.gov/documents/usda_gleaning_toolkit.pdf; "Food Waste: Americans Throw Nearly Half Their Food, \$165 Billion Annually, Study Says," Reuters (21 Aug. 2012). Available at: http://www.huffingtonpost.com/2012/08/21/food-waste-americans-throw-away-food-study_n_1819340.html.

⁶⁵ "Best Practices for Food Recovery and Gleaning in the National School Lunch Program," USDA Food and Nutrition Service (1999), <http://www.fns.usda.gov/fdd/gleaning/gleanman.PDF>.

⁶⁶ "Tips for Opening a Food Truck," Zumwalt Law Group, <http://www.zumwaltlawgroup.com/forwardthinking/tips-opening-food-truck-texas>.

⁶⁷ Coorens, Elaine, "New Chicago mobile food street vendor ordinance impacts employment and community," Our Urban Times (7 June 2012), <http://oururbantimes.com/business-news/new-chicago-mobile-food-street-vendor-ordinance-impacts-employment-and-community>.

⁶⁸ See: <http://streetwise.org/neighborcarts>.

Austin, TX – Austin has developed a reputation for its vibrant food truck (or food cart) scene. Low barriers to entry and the city's clear forms and instructions enables entrepreneurs with limited startup capital to try out food business ideas.⁶⁹

8. ALLOW CERTAIN FOOD PRODUCTION ACTIVITIES AS A HOME OCCUPATION

Cottage food industries (value added food products made in home kitchens) increase the viability of local produce and enable food producers to benefit from profit margins higher than those earned through sale of raw agricultural products.

Cottage food laws allow home-based food production of non-potentially hazardous foods like jams, baked goods, cereals, spices, and dried fruits. Cottage food operations are currently allowed in more than 30 states,⁷⁰ and can create an important source of income to help offset increasing costs of living, and the debilitating effects of growing underemployment.

Example:

California Homemade Food Act – The state recently adopted a law that places a mandate on cities and counties to issue home business permits to individuals engaged in cottage food production.⁷¹

9. CREATE OR SUBSIDIZE SHARED COMMERCIAL KITCHENS

We recommend that cities create or subsidize local commercial kitchens that can be economic incubators for budding food enterprise.

Helping small businesses access commercial kitchens removes a major startup barrier.

Example:

New York, NY – Entrepreneur Space is a city-sponsored business incubator in Queens that helps food-related and general business start-ups across New York City.⁷² It is open 24 hours a day, and serves more than 100 entrepreneurs working to establish their businesses in New York. In its first two years, the incubator contributed an estimated \$5 million to the local economy.⁷³

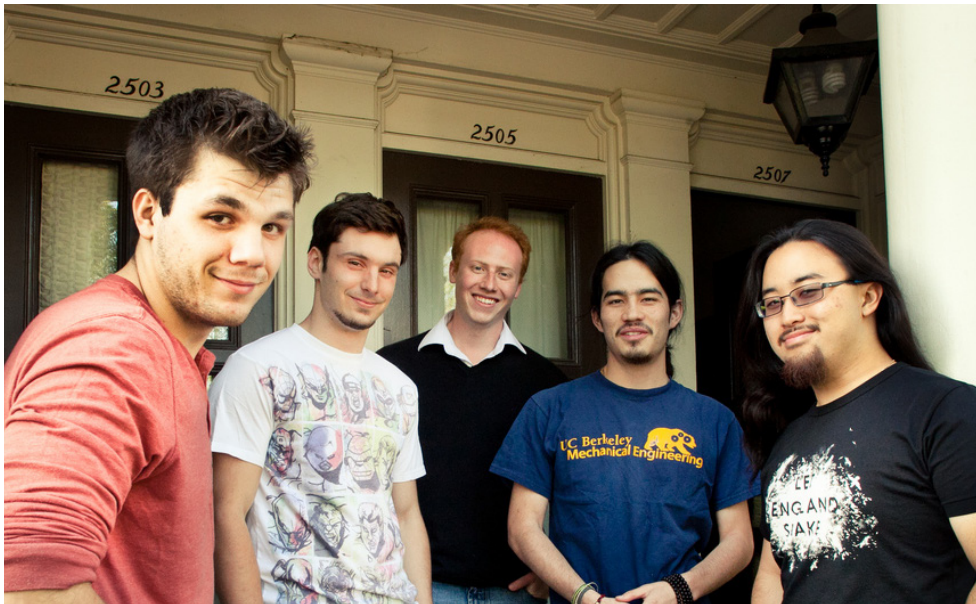
⁶⁹ "Business Applications and Guides." City of Austin, Texas Health and Human Services, <http://www.austintexas.gov/department/business-applications-and-guides>.

⁷⁰ See a list of states: <http://www.theselc.org/wp-content/uploads/2012/03/Summary-of-Cottage-Food-Laws-in-the-US-31.pdf>.

⁷¹ Details of the legislation are available on the Sustainable Economies Law Center's website at <http://www.homegrownfoodlaw.org>.

⁷² See: <http://www.nycedc.com/program/entrepreneur-space>.

⁷³ Trapasso, Clare, "Entrepreneur Space celebrates 2nd Anniversary," New York Daily News (8 Mar. 2013), <http://www.nydailynews.com/new-york/queens/entrepreneur-space-celebrates-anniversary-article-1.1282537>.



III. SHAREABLE HOUSING

1. SUPPORT THE DEVELOPMENT OF COOPERATIVE HOUSING.

We recommend that cities help form more housing cooperatives, which offer an effective, participatory approach to affordable housing that can boost urban innovation and resilience.

Resident-owned or nonprofit rental housing cooperatives offer a time-tested, affordable, and socially enriching alternative to private ownership and rental. Housing cooperatives can also boost the innovation and resilience of cities by making quality housing accessible to young entrepreneurs, students, low income families, artists, nonprofit workers, senior citizens, service workers, laborers, the disabled, and other low income populations.

Housing cooperatives can lower housing costs in a variety of ways including restrictions on profit from resale, self-management, nonprofit status, shared facilities, and subsidies. Limited equity cooperative housing can keep housing permanently affordable through legal restrictions on the financial gain on the future sale of shares. Cooperative housing can be developed from scratch or apartments can be converted to cooperative ownership through tenant buyouts.

Studies show that housing cooperatives provide other benefits like greater social support, smaller carbon footprints, reduced crime, increased civic engagement, better maintenance, and resident stability. They can also reduce foreclosures by offering large savings and spreading the financial burden over numerous people. Housing cooperatives have a long history of success and currently serve over 1.5 million U.S. households.

Because of the critical benefits housing cooperatives offer cities, we recommend that cities aggressively support their growth by offering: subsidies and accessible financing; density bonuses; fee waivers; waiver of burdensome development standards such as minimum parking requirements; waiver of burdensome administrative hurdles required of typical subdivisions; city-owned land for long-term ground leases; support for formation of urban land trusts needed to train tenants as well as manage the land and agreements associated with housing cooperatives; and create city programs to give legal, financial and technical support to housing cooperatives.

Example:

New York City has long supported cooperative housing. In 1955, it initiated the Mitchell-Lama program which led to the creation of middle-income rental and limited-equity cooperative developments with 54,000 units. The Urban Homesteading Assistance Board (UHAB), established in 1974, has helped residents form more than 1,600 affordable, limited-equity housing cooperatives. Through a long-term contract with the city, UHAB provides residents with the seed money, technical assistance, legal advice, architectural plans, management training needed to build and run limited-equity housing cooperatives.

In order for cities to meet the need for affordable and ecologically sustainable housing, sharing must become part of the policy conversation. Shared housing facilitates the sharing of goods, energy, and other resources, which can reduce waste, traffic, and energy needs, increase public transit use, decrease car ownership, and limit the need for residential and public parking.⁷⁴ Shared living arrangements can also increase density within existing urban areas, accommodating overall population growth⁷⁵ and alleviating affordable housing shortages experienced in many U.S. cities.⁷⁶ There is a variety of ways in which people can share their living spaces, with arrangements ranging from living together within one housing unit to living in separate households and sharing spaces and amenities with neighbors.

Unfortunately, density restrictions, minimum lot and home size requirements, outmoded permitting and fee structures, parking space requirements, and other zoning barriers prevent cities from benefiting from the range of shared housing models citizens may want to pursue. This section outlines policy recommenda-

⁷⁴ Haughey, Richard M., "The Case for Multifamily Housing," The Urban Land Institute (2003).

⁷⁵ For example, it is estimated that over 23,000 new housing units per year are needed to meet population increases in the San Francisco Bay Area. "San Francisco Bay Area Housing Needs Plan 2007-2014," Association of Bay Area Governments (June 2008).

⁷⁶ Over the past few decades, homeownership in the United States has significantly decreased in the wake of real estate booms that have caused property values to appreciate at a rate that income levels have been unable to match. As a result, low and middle-income families are finding it extremely difficult, or have become entirely unable, to afford the purchasing and financing of family homes. Bartolf Milne, Julia, "Will Alternative Forms of Common-Interest Communities Succeed With Municipal Involvement? A Study of Community Land Trusts and Limited Equity Cooperatives," Real Estate Law Journal P. 273 (Winter 2009).

tions that remove barriers to various shared housing models, including accessory dwelling units (also known as granny or in-law flats and second units), clustered tiny homes and micro-apartments, short-term stays for travelers, cohousing communities, and eco-villages – all of which harness the power of sharing to increase affordability and decrease our environmental footprints.⁷⁷

WHAT STEPS CAN A CITY TAKE TO PROMOTE SHAREABLE HOUSING?

2. FACILITATE THE CONSTRUCTION OF ACCESSORY DWELLING UNITS (ADUS)

We recommend that cities reduce fees and simplify permitting processes for adding new units to existing homes, often called accessory dwelling units (ADUs).

Additional housing units on parcels located in single-family residential and similar zones can provide relatively low-cost housing options and facilitate sharing of space and amenities. However, building ADUs is often cost-prohibitive due to high fees for zoning permits, connecting to essential utilities, or creating space for required parking under city zoning codes. Current permitting and fee structures typically incentivize the construction of large dwellings by charging based on the number of living units added instead of the square footage added or the ecological footprint of the addition. As a result, it is generally less expensive to build a new parlor than to turn the same space into a small studio apartment.

We recommend that cities amend traditional fee structures, streamline the permitting process, and ensure that zoning regulations pertaining to ADUs are easy to follow.

Examples:

Portland, OR – Portland amended its ADU ordinance in 1998, relaxing development standards and eliminating minimum square footage and owner-occupancy requirements.⁷⁸ ADUs are permitted in every residential zone in the city and may be constructed on lots containing single-family homes if the ADU is smaller than the primary residence and under 800 square feet.

⁷⁷ Kushner, James A. "Affordable Housing as Infrastructure in the Time of Global Warming," 42/43 Urb. Law. 179, 197 (Fall 2010/Winter 2011).

⁷⁸ See: Chapter 33.205, Portland Zoning Code. See also: Portland's ADUs website, <http://www.portlandonline.com/bds/36676>.

ADUs can be created either by converting an existing structure or by building an entirely new structure. When converting an existing structure, the city provides early assistance to support project development. The city does not impose additional parking requirements for the construction of ADUs. ADUs meeting the city's applicable zoning requirements are permitted as-of-right without land use review, and the city provides a guide that describes ways to bring non-conforming ADUs into regulatory compliance.

Other examples – See Santa Cruz, California⁷⁹ and Barnstable, Massachusetts.⁸⁰

3. ENCOURAGE THE DEVELOPMENT OF SMALL APARTMENTS AND “TINY” HOMES

We recommend that cities promote development of smaller homes including micro-apartments, tiny houses, yurts, container homes, and other humble abodes, which produce more affordable and sustainable housing options, and promote sharing.

Small dwellings help cities meet the growing demand for affordable housing. They are especially practical when clustered to enable shared space and amenities.⁸¹ However, many cities have adopted International Residential Code requirements that a dwelling unit include a minimum of one room that is at least 120 square feet,⁸² or cities may follow other state or local building or health and safety laws that impose minimum unit sizes.⁸³ We recommend that cities reduce minimum unit, room, and lot sizes to enable small dwellings, and we recommend that cities streamline permitting processes for clustered villages of yurts or tiny houses.⁸⁴

Example:

San Francisco, CA – The city recently approved an ordinance to reduce minimum dwelling unit size from 290 square feet down to 220 square feet, and to allow construction of up to 375 such tiny apartment units.⁸⁵

79 See: Santa Cruz's website on ADUs: www.cityofsantacruz.com/index.aspx?page=1150.

80 "Accessory Dwelling Units: Case Study," Prepared by Sage Computing, Inc. on behalf of the U.S. Department of Housing & Urban Development (June 2008), <http://www.huduser.org/portal/publications/adu.pdf>; "Accessory Dwelling Units (ADU) Suburban Case Study," Smart Growth Smart Energy Toolkit, http://www.mass.gov/envir/smart_growth_toolkit/pages/CS-adu-lexington.html.

81 Atkinson, Jon, "The luxury of living in a tiny house," KALW News (19 Oct. 2011), http://kalwnews.org/audio/2011/10/19/the-luxury-living-tiny-house_1348386.html.

82 California Building Standards Commission, CAL. C. Regs., Title 24, Part 2.5 "California Residential Code" (2010), http://publicecodes.cyberregs.com/st/ca/st/b400v10/st_ca_st_b400v10_3_sec005.htm.

83 Withers, Dawn, "Looking For a Home: How Micro-Housing Can Help California," Golden Gate University Environmental Law Journal 125 (2012).

84 Orsi, Janelle, "Policies for a Shareable City #5: Affordable Housing," Shareable.net (13 Oct. 2011), <http://www.shareable.net/blog/policies-for-a-shareable-city-5-shareable-housing>.

85 Ordinance Name: "Planning Code - Efficiency Dwelling Units - Numerical Cap and Open/Common Space Requirements," File Number 120996, final action December 7, 2012.

4. ALLOW SHORT-TERM RENTALS IN RESIDENTIAL AREAS

We recommend that cities permit residents to use their homes for short-term renters or guests as a way to diversify local tourism opportunities and to help residents offset high housing costs.

Zoning laws in many cities make it nearly impossible for people to host short-term guests in exchange for monetary compensation, because residential zones generally prohibit converting one's house or apartment into a "place of business."⁸⁶ For example, in San Francisco, California, a resident is considered to have established an illegal hotel simply by charging a guest for a short-term stay, defined as fewer than 32 days.

We recommend that cities adopt more nuanced permitting policies and fee structures to allow short-term guests. To prevent residential units from becoming too hotel-like, cities could adopt policies that limit the number of paid houseguests per year, limit the number of guest nights, or cap each household's gross income from short-term rentals at, for example, no more than 50 percent of the monthly costs associated with the unit. These provisions recognize that the purpose of sharing is not necessarily to profit, but, rather, to offset the cost of housing.

Examples:

Palm Desert, CA – A 2012 ordinance⁸⁷ provides for the licensing of residential property for short-term rentals. Any property rented for three to twenty-seven days must obtain a special Rental Permit (\$25) on an annual basis and must remit a nine percent Transient Occupancy Tax to the city. The regulations require on-site parking for short-term renters, compliance with the city's noise ordinance, a round-the-clock contact person who can respond to neighbor complaints, and a limit on the maximum number of guests (two people per bedroom). Such restrictions are intended to alleviate concerns regarding noise, congestion, and other neighborhood disturbance.⁸⁸

Cape Elizabeth, ME – The city's 2013 short-term rental ordinance⁸⁹ establishes a permitting process, requires health and safety inspections, restricts the number of guests, and limits each separate rental period to seven days. The regulations create a detailed complaint process, and include a \$50 permit fee.

86 Orsi, Janelle, "Airbnb Debacle Uncovers Collaborative Consumption's Legal Paradox," Shareable.net (10 Aug. 2011), <http://www.shareable.net/blog/airbnb-uncovers-collaborative-consumption-legal-paradox>.

87 The City of Palm Desert enacted Ordinance number 1236 on 8 Mar. 2012. See: <http://qcode.us/codes/palmdesert/revisions/1236.pdf>.

88 "Short-Term Rentals," City of Palm Desert, <http://www.cityofpalmdesert.org/Index.aspx?page=712>.

89 Cape Elizabeth, ME, Zoning Ord. § 19-8-14 (2013).

5. REDUCE ZONING RESTRICTIONS ON CO-HABITATION

We recommend that cities amend or remove any zoning laws that restrict co-habitation in order to facilitate more affordable, sustainable, and shared housing.

Many city zoning ordinances limit the number of unrelated people who may live in a housing unit, and we recommend that cities lift all such limits in order to allow for a broader range of living arrangements.

Example:

Mental Health Advocacy Services, Inc. has issued a set of recommendations for how cities can redefine family and occupancy standards to better include contemporary families and living needs. For example, cities should eliminate distinctions between related and unrelated individuals for the purpose of occupancy standards and repeal numerical limits on the number of unrelated people who may live together.⁹⁰

6. CREATE NEW ZONING USE CATEGORIES AND INCREASE PERMITTING FOR COHOUSING AND ECO-VILLAGES

We recommend that cities establish zoning ordinances that enable the creation of cohousing and eco-villages, which facilitate more affordable and sustainable growth and development.

In comparison to conventional single-family homes, which can be resource-intensive and costly, cohousing allows people to share assets, save money, conserve resources. “Cohousing” typically refers to a community where people live in separate units but share common spaces such as a large kitchen, living room, dining room or office. The use of shared facilities allows for smaller, and therefore more affordable, individual units. It also facilitates sharing transportation, childcare, household goods, and food, which helps, reduce costs further while strengthening community ties.

Eco-villages are communities created by groups of individuals who intend to live healthy and sustainable lives by reducing their environmental impact and living cooperatively with others. Eco-villages often include community gardens, alternative energy generation, and other environmentally sustainable practices in addition to shared housing. There are hundreds of eco-villages in over seventy countries on six continents.⁹¹

⁹⁰ “Fair Housing Issues in Land Use and Zoning: Definitions of Family and Occupancy Standards,” Mental Health Advocacy Services, Inc., (Sep. 1998), http://www.housingrights.org/pdfs/def_family.pdf

⁹¹ Taggart, Jonathan, “Inside an eco-village: born of aligned ecological values and design, eco-villages are found in over 70 countries around the world,” Interactive Business Network Resource Library (2009).

Contemporary U.S. zoning policies and density restrictions often impede the development of cohousing and eco-villages for a variety of reasons.⁹² We recommend that cities allow increased density, even in single-family residential zones, when a proposed development demonstrates that it will mitigate some of the negative impacts of density, such as limiting waste, lowering energy needs, limiting new traffic, and decreasing the number of parked cars.

Examples:

Amherst, MA – Amherst’s zoning ordinance supports the creation of cohousing communities through Open Space Community Developments (OSCD), which “allow organized groups of households to construct dwelling units and common facilities for their collective and individual ownership and use.”⁹³ An OSCD may contain a mixture of housing types as well as incorporate non-residential uses that are compatible with and supportive of residential development. The zoning code states that OSCD development is “flexible in nature and allows for modifications of lot size, bulk or type of dwelling, density, intensity of development, or required open space.” In addition, the zoning code provides density bonuses for OSCDs that incorporate affordable dwelling units.

Canada – Yarrow Eco-Village and O.U.R. Eco-Village, both in British Columbia, Canada, successfully petitioned their respective municipalities for rezoning by persuading their jurisdictions to take into account the low impact of eco-villages in comparison to typical housing developments. In 2003, Shawnigan Lake approved the creation of O.U.R. Eco-village on land previously designated as a Secondary Agricultural Zone. The successful rezoning of the space to a Comprehensive Development Zone allowed the group to create multiple dwellings, an organic farm, a food production facility, and to offer ecological restoration and education programs. In 2004, the Chilliwack City Council approved the first official “Eco-village Zone,” re-designating Yarrow Eco-village’s land, previously zoned “rural residential.” This enabled the community to create forty individual residences, a community building with extensive amenities, an organic farm, an education center, and small cottage industries, none of which would have been permitted within the confines of a rural residential zone.⁹⁴

Bloomington, IN – Plans to create Bloomington Cooperative Plots Eco-Village⁹⁵ (also known as Dandelion Village) on 2.23 acres of land were initially halted because the eco-village was not permitted under Bloomington’s residential single-family zone in which the land was located. Dandelion members revised the pro-

⁹² Boyer, Robby, “Dandelion Ecovillage, Urban Planning, & Bloomington, Indiana,” *Evolutionary-city.blogspot.com* (13 Oct. 2011), <http://evolutionarycity.blogspot.com/2011/10/dandelion-ecovillage-urban-planning.html>

⁹³ Amherst, MA “Article 4 – Development Methods.” Available at: <http://landuse.law.pace.edu/landuse/documents/laws/reg1/MA-ORD-Amherst-DevelopmentMethods.pdf>

⁹⁴ Hale, Michael, “How Yarrow Ecovillage Got ‘Ecovillage Zoning’,” *EcoVillages Newsletter*, http://www.ecovillagenewsletter.org/wiki/index.php/How_Yarrow_Ecovillage_Got_%22Ecovillage_Zoning%22. Pennington, Julie, “Zoning for Sharing,” in *Practicing Law in the Sharing Economy: Helping People Build Cooperatives, Social Enterprise, and Local Sustainable Economies*, Janelle Orsi, American Bar Association Books (2012).

⁹⁵ See: Bloomington Cooperative Plots: A Forming Intentional Community, <http://btowncooperative-plots.dwiel.net>

posals and reduced the number of proposed housing units, and the city ultimately approved rezoning for the development of a mixed cooperative housing community for up to thirty unrelated adults, plus children; the plan included installation of renewable energy sources and preservation and restoration of native habitats.⁹⁶

7. FACTOR SHARING INTO THE DESIGN REVIEW OF NEW DEVELOPMENTS

We recommend that cities adopt policies to encourage that new housing developments foster sharing and resident interaction.

Given the benefits of shared living to both individuals and communities, we recommend that cities require that new housing developments undergo a design review to ensure that the proposed development fosters local interaction and sharing.⁹⁷ For example, cities can require or incentivize clustering housing⁹⁸ around central courtyards, and they can require the inclusion of common areas and common houses designed for shared activities such as laundry, meals, children's play areas, wellness areas, workspaces, and other communal events. Further, cities can encourage more mixed-use developments, which bring commercial and housing needs together in one place—reducing traffic and parking needs by allowing residents to walk to essential businesses and services.⁹⁹

Example:

London Grove Township, PA – London Grove Township's zoning ordinance "encourage[s] the development of environmentally and socially sustainable and responsible neighborhoods" and recognizes that specific design standards are essential in meeting this goal. The code thus sets standards for development of an Eco-Village, including the design and structure of individual residential units, carports, and common houses as well as setback, height, access roads, and construction methods and design.

⁹⁶ Cope, Torrie, "Bloomington Cooperative Housing Development Approved," Indiana Public Media (20 Oct. 2011), <http://indianapublicmedia.org/news/bloomington-cooperative-housing-development-approved-22116/>; Boyer, Robby, "Dandelion Ecovillage, Urban Planning, & Bloomington, Indiana," Evolutionarycity.blogspot.com (13 Oct. 2011), <http://evolutionarycity.blogspot.com/2011/10/dandelion-ecovillage-urban-planning.html>. Maitreya Eco-Village in Eugene, Oregon is another example that focuses in part on environmentally sustainable green building design. See: "A Natural Builder Creates an Eco-Village," <https://www.youtube.com/watch?v=noFAdcfBQeo>; and Maitreya Eco-Village, <http://www.maitreyaecovillage.org>.

⁹⁷ See e.g. City of Seattle, "Design Review Guidelines for Multifamily and Commercial Buildings," http://www.seattle.gov/dpd/cms/groups/pan/@pan/@plan/@drp/documents/web_informational/dpdp_020248.pdf.

⁹⁸ "Residential Cluster Development," University of Minnesota Extension, <http://www.extension.umn.edu/distribution/naturalresources/components/7059-01.html>.

⁹⁹ See: Congress for the New Urbanism www.cnu.org; and New Urbanism: Creating Livable Sustainable Communities <http://www.newurbanism.org>.



IV. JOB CREATION AND THE SHARING ECONOMY

The sharing economy offers enormous potential to create jobs. Sharing leverages a wide variety of resources and lowers barriers to starting small businesses. Cities can lower the cost of starting businesses by supporting innovations like shared workspaces, shared commercial kitchens, community-financed start-ups, community-owned commercial centers, and spaces for “pop-up” businesses. Cities can also lower permitting barriers for home-based micro-enterprises. Sharing is also at the heart of the employment model that is designed to keep wealth and jobs in the community: cooperatives. In the age of global economics, where even money spent locally can quickly slip from local communities, fostering cooperative enterprise creates local jobs that are rooted securely in the community. Just as important, cooperative jobs are likely to be good jobs that value dignity, creativity, democracy, and fair pay. These qualities are among the reasons co-ops are widely acknowledged as being more viable, more resilient,

and healthier for their communities than conventional businesses.¹⁰⁰ Supporting the growth of cooperatively-owned enterprises may be one of the most important things that a city can do to support stable, fair paying, local job creation.

On the surface, cooperatives may look like conventional businesses, but cooperatives stand apart from traditional enterprise on two major counts:

1) Accountability to Members, not to Absentee Shareholders: A cooperative's Board of Directors is elected – on a one-member, one-vote basis – by the members of that cooperative, who are typically either the workers or customers (or both) of the business. Unlike conventional businesses that gravitate toward decisions that benefit absentee shareholders, cooperatives are nearly guaranteed to make decisions that serve the interests of local workers and customers.

2) Profits are Shared on the Basis of Patronage, not Capital Ownership: Unlike traditional businesses, which distribute profits to shareholders on the basis of the relative size of shareholders' capital ownership, cooperatives distribute profits to members on the basis of each member's contribution to the cooperative's work or business – also known as "patronage." In a worker cooperative, patronage is measured by the value of work contributed by the member or by the number of hours worked. In a consumer cooperative, patronage is measured by the value or quantity of purchases made by the customers. In this way, wealth spreads within the community instead of leaking to shareholders outside of the community.

HOW CAN A CITY HARNESS THE SHARING ECONOMY IN ORDER TO CREATE JOBS AND DEVELOP ENTERPRISE?

1. EXPAND ALLOWABLE HOME OCCUPATIONS TO INCLUDE SHARING ECONOMY ENTERPRISE

We recommend that cities expand allowable home occupations to include "nano-enterprises" characteristic of the sharing economy, or define such "nano-enterprises" as accessory uses of residences.

The sharing economy has enabled an explosion of home-based "nano-enterprises," which are income generating activities made possible by communities and technologies that connect people to provide for each other in new ways – allowing one person to rent household goods to another, to rent a room to a traveler, to

¹⁰⁰ In Quebec, the survival rate for new cooperatives after five years is 62%, as compared with 35% for all businesses. Even after ten years, cooperatives show more resilience, with a survival rate of 44% compared with 20% for all businesses. "Survival Rate of Co-Operatives in Québec," Ministry of Economic Development, Innovation, and Export in Québec (2008), <http://ccednet-rcdec.ca/files/ccednet/pdfs/2008-Quebec-Co-op-Survival-Report-Summary.pdf>. There is also evidence that co-ops – food co-ops in particular – contribute to a stronger local economy. They do so by supporting other local businesses ("for every dollar spent at a food co-op, \$0.38 is reinvested in the local economy compared to \$0.24 at conventional grocers") and providing higher wages ("[c]o-op employees earn an average of nearly \$1.00 more per hour than conventional grocery workers when bonuses and profit sharing are taken into account.") "Healthy Foods, Healthy Communities: Measuring the Social and Economic Impact of Food Co-Ops," National Cooperative Grocers Association (2012), <https://www.ncga.coop/node/5176>.

rent a car to a neighbor, to charge for the use of a parking space, or to exchange goods and services at the neighborhood level. Unfortunately, many zoning codes are designed to separate home life from commercial life, making it illegal for many people to benefit from the sharing economy and generate income at home.

We recommend that cities begin to survey the many ways in which residents are able to supplement their incomes in the sharing economy¹⁰¹ and adopt policies that ensure that the zoning code either allows the activity as an accessory use of a residence, or that business licenses and zoning approval will be granted when such activities are at a scale unlikely to impact the intended quality of the neighborhood. See the Food and Housing sections of this publication for examples of ways that cities have granted citizens the ability to operate small-scale home businesses in the sharing economy.

2. REDUCE PERMITTING BARRIERS TO ENTERPRISES THAT CREATE LOCALLY-CONTROLLED JOBS AND WEALTH

We recommend that cities reduce permitting barriers and fees, and prioritize conditional use permitting for shared workspaces, cooperatives, community-owned businesses, and other projects that create locally-controlled jobs and local wealth.

Cities can create locally-controlled jobs and local wealth retention by lowering permitting fees and granting priority business licenses and zoning approval to projects that a) demonstrate that they will create opportunities for a large number of start-up enterprises, b) are cooperatively owned, or c) will be predominantly owned by a broad range of local community members. Any business that is owned by a broad range of local community members – either through a cooperative model or through local crowdfunding and direct public offerings – guarantees that the profits of the business will spread throughout the city and re-circulate locally. Shared workspaces, kitchens, and machine shops enrich a city by giving residents low-cost access to space and equipment for prototyping new products or services, short-term projects, or ongoing day-to-day work.

Example:

San Diego, CA – Market Creek Plaza is a model for community-owned commercial spaces. On the surface, Market Creek Plaza may look like most shopping malls; yet, the primary shareholders of the mall are a local non-profit and individual members of the local community. When the mall was developed, 50,000 shares were offered to local community members at

¹⁰¹ See the Economist's March 9, 2013 cover story "The Rise of the Sharing Economy," summarizing ways in which technology has created an enormous market for peer-to-peer rentals.

\$10 per share.¹⁰² It is not clear whether the city of San Diego took into account community-ownership when granting approvals for this development; however, we recommend that cities prioritize permitting for similar community-owned and locally crowdfunded developments.

3. USE IDLE COMMERCIAL SPACES FOR COMMUNITY BENEFIT

We recommend that cities facilitate the temporary use of empty commercial spaces by offering incentives for temporary leases and by penalizing property owners and banks for allowing spaces to remain vacant.

Lowering barriers to temporary uses allows small and start-up businesses to test their products and services without assuming the large financial burden of a long-term lease.

Examples:

Newcastle, Australia – A community group has helped breathe new life into this Australian city's downtown, which had been left largely vacant after big employers left town. The group negotiates flexible arrangements between property owners with vacant spaces and community members and artists who have ideas for these spaces, but no financial resources to rent them in a formal sense. The result has fostered economic opportunity, creativity, and collaboration for the city's businesses, artists, entrepreneurs, and property owners.¹⁰³ We recommend that city governments take on similar intermediary roles in negotiating and incentivizing such leases.

Richmond, CA – In 2008, the City Council passed the Foreclosure Fine Ordinance, which fines banks \$1,000 a day for vacant properties with code violations. The law, which aims to reduce the blight from foreclosed properties, also brought in about \$780,000 for the city last fiscal year.¹⁰⁴ Similarly, we recommend that cities impose fines on banks or other property owners that allow commercial spaces to sit empty. By creating a disincentive for waste, cities thereby create an incentive for property owners to share their spaces with community groups or small enterprises.

¹⁰² "Community Ownership," Market Street Plaza, http://www.marketcreekplaza.com/mcp_our-story.html.

¹⁰³ Goodyear, Sarah, "Cities as Software, and Hacking the Urban Landscape," *Grist* (24 May 2011), <http://www.grist.org/cities/2011-05-23-cities-as-software-and-hacking-the-urban-landscape>; See also: Renew Newcastle, <http://www.renewnewcastle.org>.

¹⁰⁴ "City versus banks on foreclosed homes in Richmond, Calif.," What Went Wrong: Investigative Reporting Workshop, American University School of Communication (8 Sep. 2011), <http://www.america-whatwentwrong.org/blog/what-went-wrong-blog/city-versus-banks-foreclosed-homes-richmond-calif>.

4. ASSIST COOPERATIVES THROUGH CITY ECONOMIC DEVELOPMENT DEPARTMENTS

We recommend that cities equip economic development departments with the knowledge and resources to support cooperatives and other community enterprises.

Like all new businesses, cooperatives and community enterprises need considerable technical assistance before they begin, particularly during their infancy. Unfortunately, most economic and small business development departments are largely uninformed about cooperatives and can offer little assistance. City staff should be able to identify the appropriate type of cooperative model (worker, producer, or consumer cooperatives) for various enterprise concepts, and then be prepared to provide advice about structure and assistance in identifying and securing funding. At a minimum, staff should be prepared to connect aspiring entrepreneurs to outside organizations that provide technical assistance to new co-ops.¹⁰⁵ In addition, economic development departments can be particularly helpful with “conversions,” the process by which retiring small business owners can pass their businesses on to employees.

Examples:

Cleveland, Ohio – The Evergreen Cooperatives in Cleveland’s low-income neighborhoods are models in urban wealth building. They provide services to anchor institutions, like local hospitals and universities, and include a green industrial laundry, a solar installation firm, and the largest urban greenhouse in the US. The Mayor’s Office connected the Cleveland Foundation and other Evergreen partners to Cleveland’s Department of Economic Development for help finding innovative sources of funding. The city’s Sustainability Office helped identify energy incentives like Solar Tax Credits. The support of these departments was key to accessing the financing necessary to launch Evergreen.

Richmond, California – In 2011, the City of Richmond hired a consultant to create, support and expand worker cooperatives. Inspired by a visit to the large and successful Spanish network of Mondragón cooperatives (which similarly inspired the Evergreen Cooperatives), Richmond’s Mayor decided that a small-scale version of that network could create meaningful economic opportunity in her city, which suffers from high unemployment.¹⁰⁶ The

¹⁰⁵ Organizations engaged in cooperative development in the United States include the California Center for Cooperative Development, Cooperative Development Institute, Northwest Cooperative Development Center, Cooperation Texas, the Democracy at Work Network (DAWN), Green Worker Cooperatives’ Co-op Academy, Women’s Action to Gain Economies Equality (WAGES), the Green Collar Communities Clinic (GC3), TeamWorks, Cooperative Homecare Associates, the Center for Family Life, and the Cooperative Development Foundation.

¹⁰⁶ Mondragón is a system of more than 260 cooperative enterprises located in Basque country, Spain, employing approximately 85,000 people and generating annual revenue of nearly \$20 billion. Zuckerman, Dave, “USW and Mondragon Unveil Union Co-op,” Community Wealth (13 Apr. 2012), <http://www.community-wealth.org/content/usw-and-mondragon-unveil-union-co-op>; For a critical analysis of Mondragón’s strengths and limitations in the contemporary global economy, see Marszalek, Bernard, “The Meaning of Mondragon,” Counterpunch (13-15 Jul. 2012), <http://www.counterpunch.org/2012/07/13/the-meaning-of-mondragon>.

consultant, a co-founder of the worker cooperative Arizmendi Bakery Lakeshore,¹⁰⁷ has worked with Richmond residents to form a health food co-op, an electric bicycle co-op, and a hydroponically grown organic food co-op.

Madison, Wisconsin – In June 2012, the City of Madison’s Office of Business Resources partnered with the University of Wisconsin’s Center for Cooperatives to host the Madison Cooperative Business Conference. The conference focused on business conversions to employee ownership, co-op best practices, and a census of local cooperatives. It drew economic development professionals, entrepreneurs, and members of existing cooperatives.¹⁰⁸

5. MAKE GRANTS TO INCUBATE NEW COOPERATIVES

We recommend that cities work with existing non-profits that have the knowledge of and connection to communities where cooperatives are likely to be successful.

By partnering with private foundations or by granting public funds for cooperative workforce development, cities can capitalize on the knowledge and expertise of organizations well situated to incubate new cooperatives, particularly when they have a track record of working in economically marginalized neighborhoods.

Example:

New York, NY – For several years, the Center for Family Life (CFL), a non-profit social service organization, had been incubating new worker cooperatives in its largely immigrant Sunset Park, Brooklyn neighborhood.¹⁰⁹ In 2012, the New York City Council awarded CFL a \$147,000 grant to train two additional non-profits in other New York City neighborhoods to become co-op incubators themselves.¹¹⁰

6. PROVIDE FINANCIAL AND IN-KIND RESOURCES TO COOPERATIVES

We recommend that cities provide grants, loans, and in-kind support to cooperatives, and facilitate or act as intermediaries to secure other financing opportunities for cooperatives.

Cities can support the financing of cooperatives in a variety of ways, by: 1) giving grants, 2) providing loans, 3) utilizing federal funds from Community Development Block Grants and economic recovery funding to support coop-

¹⁰⁷ The Arizmendi Association of Cooperatives is itself a cooperative made up of seven member businesses: six cooperative bakeries and a development and support collective. Members share a common mission; share ongoing accounting; legal, educational and other support services; and support the development of new member cooperatives through the Association: <http://www.arizmendi.coop/about>.

¹⁰⁸ “City to Host Madison Cooperative Business Conference,” City of Madison Press Release (23 Apr. 2012), http://www.cityofmadison.com/news/view.cfm?news_id=3171.

¹⁰⁹ Not all of the cooperatives have survived, but several did, including a babysitting cooperative (<http://www.beyondcare.coop>), an eldercare cooperative (<http://www.goldensteps.coop>), and a home care cooperative (<http://www.wecandoit.coop/>).

¹¹⁰ The Urban Justice Center, which provides legal support to cooperatives, also shared in this grant.

eratives, 4) creating loan guaranty programs, 5) supporting the development of revolving loan funds,¹¹¹ 6) acting as an intermediary between cooperatives and lending institutions, and 7) offering city-owned land to cooperatives.

Examples:

Cleveland, OH – The city of Cleveland was instrumental in assisting the Evergreen Cooperatives to secure financing to develop its ambitious network of worker-owned cooperatives. The Evergreen Cooperatives provide goods and services to local anchor institutions like hospitals and universities. They relied on a series of investments from private foundations to get off the ground. Cleveland’s Economic Development Department acted as an intermediary for lending institutions securing New Markets Tax Credits, and the city also dedicated its own funds through the Federal Section 108 Loan Guarantee Program.¹¹² Cleveland also played a major role in providing and securing land that became the Green City Growers, a 3.25 acre hydroponic greenhouse and worker cooperative that is part of the Evergreen Cooperatives network.

San Francisco, CA – In 2012, the city and County of San Francisco’s Office of Economic and Workforce Development provided People Organized to Demand Environmental and Economic Rights (¡PODER!), a non-profit organization, a \$76,000 grant to invest in its co-op development project in the low-income Latino neighborhoods of South Mission and Excelsior.¹¹³

Richmond, CA – After reading a press account of the city’s commitment to fostering worker cooperatives, a member of the public made an anonymous \$50,000 donation to establish the Richmond Worker Cooperative Revolving Loan Fund. The city established an independent non-profit to administer the fund in collaboration with the city’s economic development department.¹¹⁴ The purpose of the fund is to increase support for a growing network of Richmond-based cooperatives through a regenerating pool of funding.¹¹⁵

7. PROCURE GOODS AND SERVICES FROM COOPERATIVES

We recommend that cities prioritize worker cooperatives whenever the city contracts with private businesses for procurement of goods and services.

Where cooperatives exist, we recommend that cities – and city institutions like schools, public hospitals, and public housing – make an effort to prioritize procurement agreements with cooperative businesses in an effort to support local jobs. Such preferences can be formalized in procurement ordinances and policies.

111 “CDFA Spotlight: Revolving Loan Funds (RLFs),” Council of Development Financing Agencies, <http://www.cdfa.net/cdfa/cdfaweb.nsf/ordredirect.html?open&id=rlffactsheet.html>.

112 “Chapter 1: Financing the Evergreen Cooperatives,” Evergreen Cooperatives Toolkit (2011), <http://evergreencooperatives.com/wp-content/uploads/2011/12/Evergreen-1.040-Financing.pdf>.

113 C. Sciammas, Personal Interview, 7 Mar. 2013. See also: <http://www.podersf.org>.

114 See: Richmond Main Street, <http://www.richmondmainstreet.org>.

115 See: Richmond Worker Cooperative Revolving Loan Fund, <http://www.richmondcooploans.net>.

Example:

New York, NY – Since 1985, Cooperative Home Care Associates has provided home care services to chronically ill, disabled, and elderly New Yorkers while creating good jobs in a sector known for its low wages, instability, and lack of career mobility.¹¹⁶ The cooperative employs nearly 2,000 workers, about half of whom are worker-owners, and the cooperative has contracts to provide services to several New York City agencies. Workers earn wages about ten to twenty percent higher than the market rate, have 401(k) plans, and are unionized.¹¹⁷

8. INTEGRATE COOPERATIVE EDUCATION INTO PUBLIC EDUCATION PROGRAMS

We recommend that cities integrate topics related to cooperative enterprise into local high schools, vocational schools, and other public education programs.

The advantages of successful cooperatives are significant for workers and communities, but cooperative principles and structures are not always intuitive to U.S. workers accustomed to hierarchical business structures. Thus, schools can play a valuable role in supporting cooperatives.

Examples:

NY, New York – The Bronx Compass High School is partnering with Green Worker Cooperatives to bring a version of the organization's Co-op Academy to high school students. Students in the cooperative development class develop and present ideas for cooperative businesses to the school community, which can choose to incubate the cooperative.¹¹⁸

¹¹⁶ See: Cooperative Home Care Associates, <http://www.chcany.org>.

¹¹⁷ For an informative history of the Cooperative Home Care Associates, see "A Brief History of Cooperative Home Care Associates," American Worker Cooperative (8 March 2011), <http://www.american.coop/content/brief-history-cooperative-home-care-associates>.

¹¹⁸ "First Ever Co-op Academy for Kids," Green Worker Cooperatives (4 March 2012), <http://www.greenworker.coop/home/2013/3/4/first-ever-coop-academy-for-kids.html>.





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