

# Detroit Continuum of Care | Board of Directors

Working to Equitably End Homelessness in Detroit, Highland Park, & Hamtramck

<u>Present Board Members</u>	<u>Absent Board Members</u>	<u>Excused Board Members</u>	<u>General Public</u>
ReGina Hentz Desiree Arscott Terra Linzner Benne Baker Tasha Gray Lydia Goddard Erica George Kiana Harrison Taura Brown Julisa abad Alan Rosetto Candace Morgan		Dr. Gerald Curley Ari Ruttenberg Armani Arnold Angel Reed Tammy Black Benne Baker Lori Kitchen-Buschel Courtney Smith Chris Harthen Michelle Paker	Shanna Cherubini Torrey Henderson Charlotte Carrillo Mark B. Erwin, Executive Director Zienab Fahs Lauren Diandra Gourlay Meredith Baughman Denise Goshton Daniel Robinson Amanda Sternberg Kevin Salter Dr. Celia Thomas Rebecca Tallarigo Jane Scarlett Donna Lyons Kimberly Benton Amy Brown Eleanor Bradford Luke Hassevoort Deloris Cortez Ed Cieslak Shautoya Redding Katherine Izzo K'lyn Edwards

**Detroit Continuum of Care | Board of Directors**  
Working to Equitably End Homelessness in Detroit, Highland Park, & Hamtramck  
*March 27, 2024 Special Continuum of Care Board Meeting*

**Welcome and Introductions:**  
Candace M. opened the meeting at 4:00 pm with introductions – utilizing the chat box.

**Purpose and Objective**

Summary –

- Today's board meeting is special due to time-sensitive topics. The EC introduced attorney John Allen to improve the CoC Governance Charter. The purpose of this meeting was to discuss governance changes and recent concerns, especially regarding a board member's background. Mr. Allen will offer a legal perspective on risks and broader governance issues. Concerns arose after a closed session in December, leading to legal consultation with John. Questions persisted, so HAND was designated to seek out an attorney for further exploration. Therefore, John Allen attended to help the CoC to enhance our governance charter and related policies (he does not represent anyone).

**Introduction of Guest**

Summary –

- Candace introduced attorney, John Allen, who gave an introduction of his background.
- John grew up on the West Side of Detroit, and after attending University of Michigan, he returned to work for the city. While working there, he also attended law school at night and became an attorney licensed in Michigan in 1989. Initially, he practiced entertainment and sports law in a firm with offices in Detroit, Nashville, and Los Angeles. Later, he established his own law firm in Detroit, primarily focusing on municipal law while also engaging in corporate and transactional law.
- During his career, John co-founded the Ruth Ellis Center, addressing housing needs for LGBTQ+ youth in Detroit. He served on its board until around 2014-2015, advocating for term limits to bring in new leadership. Despite no longer being a board member, he continues to support the organization and other nonprofits. Presently, his legal practice mainly revolves around representing nonprofit corporations, from large organizations to startups, aiding regardless of their financial capacity.

**Governance Discussion**

Summary –

- The query arose regarding the election of a new board member, which proceeded with due process and garnered membership approval despite subsequent concerns about the individual's criminal history as a returning citizen. Upon examining Michigan nonprofit law, it was found that the organization can establish qualifications for directors within its articles of incorporation or bylaws, provided they meet the minimum age requirement of 18 years old.
- Regarding removal of directors, if the nonprofit operates on a membership or stock basis, removal can be achieved by majority vote with or without cause unless otherwise specified in the articles of incorporation. Conversely, if the organization operates on a directorship basis, removal can be carried out with cause by a vote of the membership. "With cause" is limited to issues related to the director's performance in their role.
- It's worth noting that the Continuum of Care board is not an independent nonprofit but rather an unincorporated association, albeit with federal standing due to funding conditions. As such, director removal follows different procedures compared to incorporated nonprofits.
- Regarding individual director liability, directors generally enjoy broad immunity from lawsuits as long as they act within their fiduciary capacity and refrain from conflicts of interest or illegal activities. Additionally, the organization typically provides insurance coverage for its directors, including those on the CoC board, further mitigating liability risks.

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### Q&A

#### Summary –

- Q: One question or statement raised concerns about the nature of the individual's criminal history, specifically highlighting that they are a registered sex offender. How does this differ from being a felon, and how does it factor into our evaluation?
  - A: The law doesn't explicitly prohibit felons or individuals convicted of specific offenses, such as sexual crimes, from serving on a nonprofit board. Once they've completed their sentence and any associated probationary periods, they are generally eligible to serve, provided there are no further legal restrictions.
- Q: Another question raised concerns about insurance coverage for the CoC Board.
  - A: John explained that HAND may have a policy that extends coverage to volunteers, including board members, serving in an official capacity. While the CoC Board doesn't have a separate legal existence, they operate as an unincorporated association under HAND's umbrella.
- Q: What is the role of the state of MI in CoC?
  - A: Whenever Federal funds are allocated at the local level, they typically pass through multiple channels. Initially, the money flows from the federal government to individual states, which then distribute it to local recipients. This process adds another layer of oversight and management. Therefore, the role of the State of Michigan likely includes oversight responsibilities, as it is accountable to the Federal Government for the allocation and management of these funds. In regard to funding, the CoC receives funding from HUD with the exception of ESG funds.
- Q: Will your guidance be as needed, or will it be ongoing? So right now, your focus is assisting with the charter. But say, after the charter is done, and something else comes up later in the future. Will your services continue?
  - A: John stated that he can continue his services, but it is for the CoC to decide.
- Q: Is there a process in place to address potential legal implications when considering Coc members for open board seats, particularly regarding past convictions and any associated additional expectations, such as if the conviction was related to a CSC charge?
  - A. Currently, the governance charter lacks specificity regarding the qualifications of prospective directors and provides little to no guidance on removing someone once they become a director. Therefore, the main task ahead is for all of us to collaborate and delve deeper into the charter. This involves addressing not only the issues that have arisen but also identifying any other areas where clarity or updates are needed. We'll be on the lookout for outdated or irrelevant provisions and consider implementing new ones to anticipate future needs. This collective process will guide our efforts moving forward.
- What is your opinion on the Coc potentially exceeding the narrow scope outlined in HUD's regulations? How do you perceive unincorporated entities
  - A: I believe regulations can serve as either a ceiling or a floor, depending on their design. While it's generally advisable to align with the mission, there's room to exceed statutory requirements for the greater community's benefit. However, it's difficult to provide a blanket statement without context. extending their reach beyond the intended scope of federal agencies?

### Wrap Up

#### Summary –

- In terms of next steps, today marks the culmination of our discussions with John, where we've shared our perspectives and insights. We're requesting him to take some time to digest everything and provide us with formal recommendations based on the collective input he's received, including today's feedback. We'll be sharing the chat transcript, recording, and any additional insights to ensure he has a comprehensive understanding.

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- Additionally, it's important to note that the governance charter review process is currently underway, with John providing guidance as we navigate through it. While he may not be directly involved in all meetings, there will be ample feedback gathered during this process, particularly from the weekly ad hoc committee meetings. We anticipate having a draft of the governance charter published in May, with the goal of presenting it to the membership in July, recognizing that timelines may shift.
- We commend the board for their patience and cooperation as we navigate these complex discussions and appreciate their commitment to our collective mission. While today marks the conclusion of this particular discussion, we look forward to ongoing collaboration as we continue to serve and support our community in the best way possible.

**Candace M. closed the meeting at 5:00pm.** *The next CoC Board meeting will be on Monday, April 1, 2024 from 2 – 4:30pm. Location will continue to be virtual.*