



PHILADELPHIA HOUSING AUTHORITY BOARD OF COMMISSIONERS MEETING MINUTES
Thursday, December 21, 2017, 3 p.m., at 12 S. 23rd St., Philadelphia, PA 19103

The regularly-scheduled meeting of the Philadelphia Housing Authority ("PHA") Board of Commissioners was brought to order at approximately 3:05 p.m. by the Chair, Lynette Brown-Sow. In addition to the Chair, Vice-Chair Wetzel and Commissioners Callahan, Camarda, Coney, Eiding, and Pumell were in attendance, as well as President & CEO Kelvin A. Jeremiah ("CEO Jeremiah") and General Counsel and Board Secretary, Laurence M. Redican.

The Chair began the meeting by congratulating all who were celebrating birthdays this month, including CEO Jeremiah.

An award was then presented to Commissioner Coney, as part of the celebration of 50 years of existence for the Resident Advisory Board ("RAB"), and former Commissioner and long-time PHA resident, Nellie Reynolds, was also recognized for her critical role in resident leadership as one of the founding members of RAB.

Before asking for a moment of silence, the Chair commented on the many achievements of PHA this year and the satisfaction of the Commissioners in performing their volunteer roles as PHA Commissioners.

CEO Jeremiah thanked the Commissioners for their collective partnership in the past year; reviewed the public comment procedure; and went on to note a number of significant PHA highlights from 2017 and to make other announcements: 1) the celebration of the ground-breaking for the Blumberg Senior development and the streets being constructed to open up that neighborhood occurred the day before the Board meeting; 2) the Supply Chain Management department was commended for its success in maximizing MBE and WBE contracting, with those respective 2017 figures being 61% and 40%; 3) a Job Fair will be held on January 4, 2018, just for PHA residents, in conjunction with the Philadelphia School District; and 4) the Vaux Big Picture School will be the signature project this year for the Martin Luther King, Jr. Day of service on January 15, 2018.

Representatives from Santander Bank, including the Senior Vice President of Government Banking, Anthony Calvaresi, then presented PhillySEEDS with a check for thirty thousand dollars (\$30,000.00) as part of Santander's support for PhillySEEDS' self-sufficiency programs.

This presentation was followed by CEO Jeremiah expressing appreciation for the partnership of Santander in helping PHA reach a total number of sixty-nine (69), to date this year, new PHA homeowners. Marco Ferreira, PhillySEEDS Business Manager and Manager of the PHA Homeownership Opportunities Department, introduced two of the most recent families to become homeowners, who received congratulations, certificates, and a small bag of gifts.

William Myles, Vice President of the Office of Community Operations and Resident Development ("CORD") introduced three (3) of the twelve (12) PHA residents who were recently all hired, on the

spot after their interviews, by the Compassion Caretakers Home Health Agency, after having completed the Certified Nursing Assistant training made available through PHA/CORD.

Barbara Moore, PHA's Sustainability Coordinator, then presented the 2017 Fifth Annual Sustainability Report and 5-year overview (attached as Appendix 1), summarizing the significant progress and financial savings that PHA has made since adopting its Sustainability Policy in 2012.

The Chair inquired whether there were any corrections or amendments to the minutes of the Board Meeting of October 19, 2017. Hearing none, the minutes were accepted as submitted.

Four resolutions were presented and unanimously approved.

Resolutions 11972 and 11973, attached in Appendix 2, were presented together by Wendi Barish, Deputy General Counsel – Office of General Counsel. Resolution 11972 was for an amendment to the Defined Contribution Plan and Resolution 11973 was for an amendment to the Retirement Income/Defined Benefit Plan. Both proposed amendments were based on requirements from the U.S. Internal Revenue Service and were not substantive. Commissioner Callahan, as Chair of the Finance Committee that reviewed the resolutions, moved for their approval. After the motion was seconded, there being no discussion or public comment, for which an opportunity was provided, the motion for approval of both resolutions was unanimously approved.

Resolution 11974, attached in Appendix 2, was presented by Jennifer Ragen, Director of Policy – Office of General Counsel, and was for approval of the Moving-to-Work Annual Plan for Fiscal Year 2019, to be submitted to the U.S. Department of Housing and Urban Affairs. Commissioner Wetzell, as Chair of the Policy & Planning Committee that reviewed the resolution, moved for its approval. After the motion was seconded, he noted that the committee appreciated the detailed presentation made by PHA to the committee on the various aspects of the Plan and that the committee recommended approval. There being no further discussion or public comment, for which an opportunity was provided, the motion was unanimously approved.

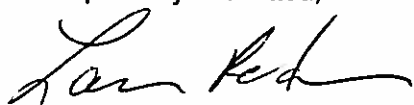
Resolution 11975, attached in Appendix 2, was presented by Andrew Kenis, Senior Counsel – Office of General Counsel, for PHA to settle litigation with Domus, Inc. Commissioner Callahan, as Chair of the Finance Committee that reviewed the resolution, moved for its approval. After the motion was seconded, there being no discussion or public comment, for which an opportunity was provided, the motion was unanimously approved.

The chair noted that a presentation on the settlement had been made in executive session and that an executive session had taken place before this meeting.

The public comment period began at approximately 3:40 p.m., with the only speaker being Jennifer Bennetech, speaking about what she believes would improve the PHA police.

Following a motion to adjourn, the meeting ended at approximately 3:45 p.m.

Respectfully submitted,



Laurence M. Redican
General Counsel
Philadelphia Housing Authority

APPENDIX 1



Philadelphia Housing Authority

SUSTAINABILITY

ACCOMPLISHMENTS

**5th Annual Report – 5 Year
Overview August 2012 - August 2017**

Philadelphia Housing Authority Fifth Sustainability Report

***A 5-year Overview
From August 2012 – August 2017***

This is the fifth Sustainability Accomplishments Report issued by the Philadelphia Housing Authority (PHA) since August 24, 2012, when it adopted its Sustainability Policy. The Report provides a 5-year overview of PHA's activities and accomplishments related to implementation of the Sustainability Policy.

The Road Behind and the Road Ahead:

Five-Year Overview for PHA's Sustainability Accomplishments

Over the past five years PHA has worked hard to implement the SMART (Specific, Measurable, Achievable, Results-focused, and Time-bound) Goals created in its Green Action Plan, and has annually submitted progress reports detailing its accomplishments. This fifth annual report provides an overview of accomplishments to date and sets forth what the road ahead will require.

PHA understands that it is increasingly important to have a sustainable and energy efficient operation with transparency, so that staff and administration work diligently daily, sharing best practices, and making responsible decisions.

As a Moving to Work (MTW) agency, PHA is committed to:

- Incorporating energy conservation measures and sustainable practices throughout PHA operations
- Establishing efficient operations procedures and implement strategies

Also, as an Accredited Sustainable Performing Housing Authority, to achieve its SMART Goals, PHA must validate the performance indicators in the following areas:

- Improved air quality
- Increased energy efficiency and conservation
- Improved energy procurement
- Conservation of water and increase efficiency of water-using products
- Prevention of solid waste from entering landfill
- Improvement of energy awareness for staff and residents

And lastly, as a Better Building Partner with the U.S. Department of Housing and Urban Development (HUD), the Department of Energy (DOE) and the Environmental Protection Agency (EPA), PHA has committed to reducing energy consumption by 10% in year 2020, from the baseline year of 2010. In recognition of the above commitments, PHA has embraced its challenges and implemented and completed the following tasks over the past five years:

2011

- Completed the Sustainability Assessment of Administrative and Operations

2012

- Adopted an agency-wide Sustainability Policy
- Appointed a Sustainability Coordinator
- Implemented benchmarking for commercial structures

2013

- Submitted a Waste / Recycling Hauler registration to the City of Philadelphia and began PHA's first internal recycling program
- Issued an announcement to all vendors about PHA's Sustainability Policy, requesting full cooperation
- Procured an energy advisor, who began work on development of an energy procurement strategy
- Developed a Green Action Plan and SMART Goals according to HUD guidelines; developed energy performance standards for new construction and retrofits; and, with technical assistance provided by HUD, developed a Green Operations & Maintenance Plan
- 4 PHA staff attended the HUD Green Academy for training in Executive Decision-making in Green Buildings, Best Practices for Building Green, and Green Operations & Maintenance.
- Partnered with utility companies to install automated meters

2014

- Executed the first Energy Procurement contract with Tradition Energy as a broker for Gas and Electric supply
- Implemented benchmarking for residential structures

2015

- Solicited an RFP for an Energy Performance Contract for the entire portfolio
- Hired a consultant for Energy Performance contracting
- Provided training for residents and staff on Energy Performance Contracting
- Partnered with PECO under the Act 129 Program and retrofitted approximately 2,000 units Low-Income Housing Tax Credit (LIHTC) sites with CFL light bulbs, shower head and aerators
- PHA's Board of Commissioners adopted the Smoke-Free Policy

2016

- Contracted with Johnson Controls Inc. (JCI) to complete the following energy-related assessments:
 1. HUD's regulatory 5 year energy audit
 2. Green Physical Needs Assessment (GPNA)
 3. Resiliency Assessment: Agency wide and site specific
 4. HUD's Healthy Homes Assessment
 5. Building Automation System & Supervisory Control and Data Acquisition (BAS/SCADA) assessment.
- The JCI contract created 43 new positions, of which 25 were non MBE/WBE and 18 were MBE/WBE. In addition, JCI employed 4 High School Residents as interns, 8 Residents as Green Ambassadors and 4 Residents as Green Technicians, 2 of whom were promoted from Green Ambassadors

2017

- JCI implemented the five assessments noted above. These assessments entailed entering the unit, performing the assessment and documenting the findings for over **1,847** units in each category except BAS/SCADA. To date all the assessments have been completed except the GPNA and are under review by PHA.

Summary of Accomplishments

Energy Procurement

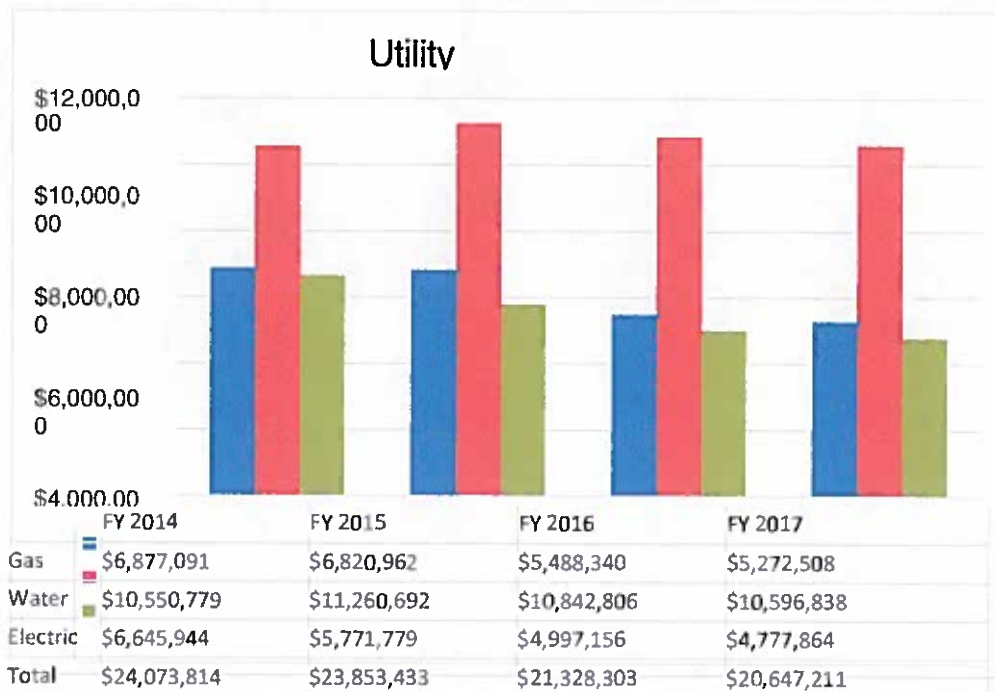
In the past two years PHA has saved **\$328,656** from the procurement of gas and electric from a broker for the supply cost of gas and electric energy. Currently the procurement of PHA's gas and electric supply is locked in until year 2019.

Energy Management

- **1,083** units were weatherized as part of PHA's vacant unit turnaround process
- PGW replaced **500** gas meters with new ones to ensure more accurate automatic readings
- PWD installed **125** new water meters to ensure more accurate automatic readings
- PHA designated staff to manage each specific utility account with the Treasury Department
- PHA created a protocol for utilities to be turned off and turned on for more accuracy with usage
- PHA partnered with PECO and removed and replaced approximately **390** Energy Star refrigerators (PECO has also distributed or installed more than **9,200** CFL/ LED light bulbs over 5 years)

Overall Energy Saving for Entire Portfolio

From FY 2014 through FY 2017, overall utility costs decreased from \$24.1 to \$20.6 million.

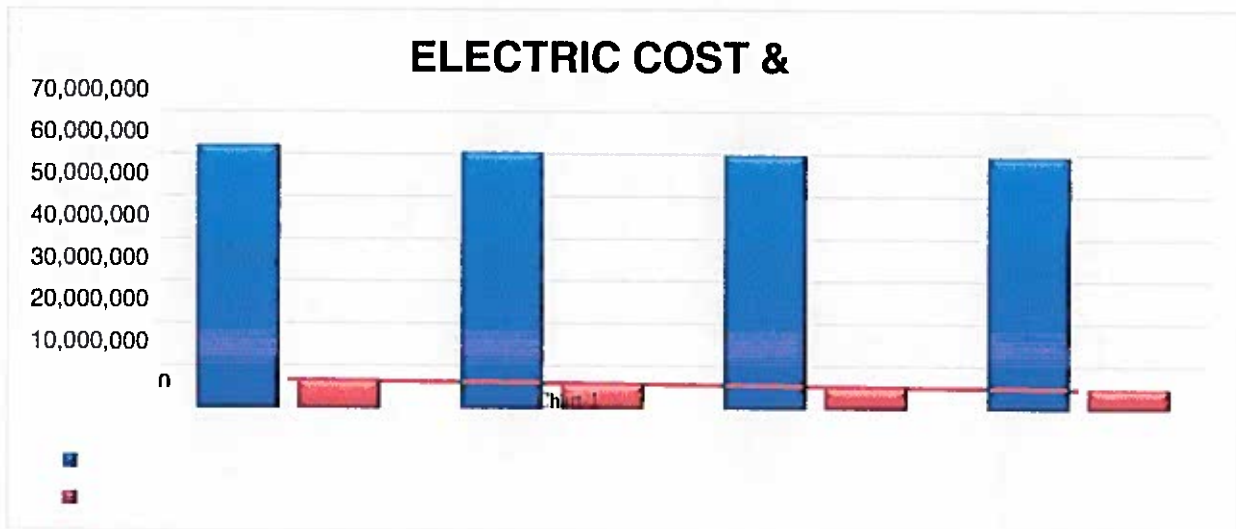


Note- The reduction of usage attributes to many factors such as: weather conditions, refrigerator replacement, replacement of heating systems, and the implementation of energy efficiency products.

Electric - for PHA paid accounts

	FY 2014	FY 2015	FY 2016	FY 2017
USAGE	62,078,798	60,446,363	59,775,924	59,481,300
COST	\$6,645,943.67	\$5,771,778.74	\$4,997,156.41	\$4,777,863.95

The electric cost and usage shown below is for the sites where PHA is the responsible party for payment. The data indicates a **4.2% reduction in the usage** and a **28.1% reduction in cost** as a result of how PHA is currently purchasing its electric supply.

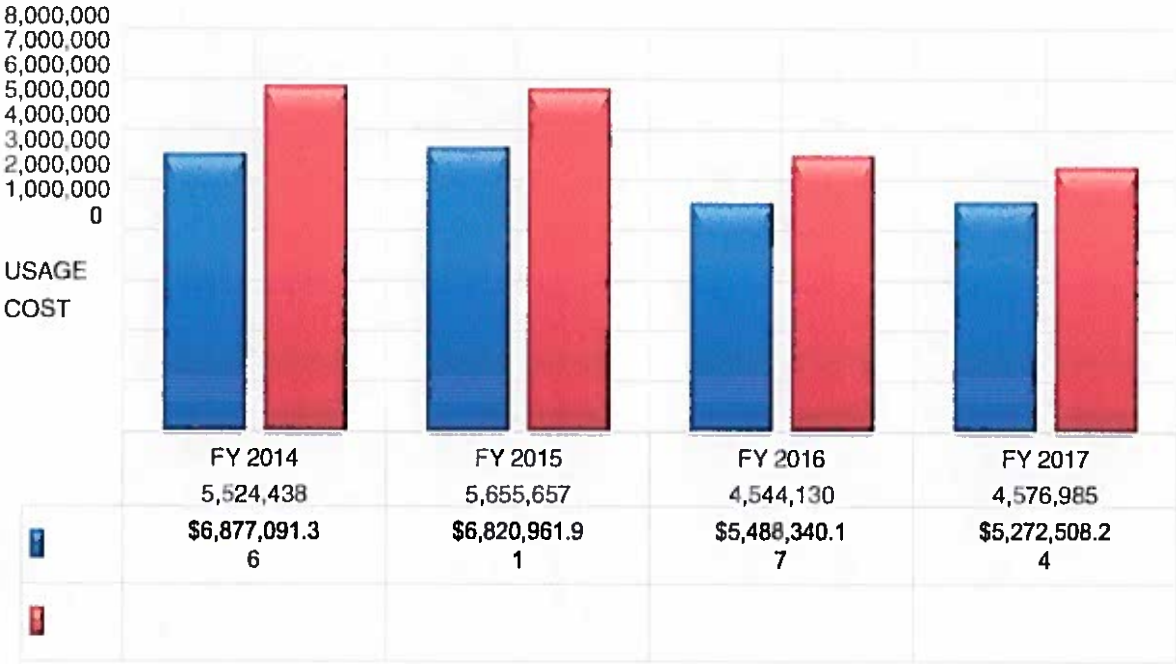


Gas for PHA accounts

PHA realized the most significant savings from gas as a result of energy procurement, as well as implementation of energy efficiency products during maintenance repairs and replacements. Some of the items that were attributed to usage reduction were roof replacements, heater replacements, and the implementation of unit turnover protocols using energy efficiency measures.

The gas chart below reflects a decrease of approximately **17.2% in usage** and **23.3% in cost** over the past four years. Implementation of standardized products and mild winters were also factors that contributed in the reduction of usage.

GAS COST & USAGE



■ USAGE
 ■ CO

Chart 2

Water - for the entire PHA portfolio

PHA's water usage over the past four years has also shown an approximate 57% decrease; however the numbers do not reflect that this is based on estimated readings and therefore should not be considered definitive. PHA is working with the Philadelphia Water Department to install automatic readers, which

will provide an accurate depiction of our water usage. The cost of usage rose slightly during this period due to increasing water rates.

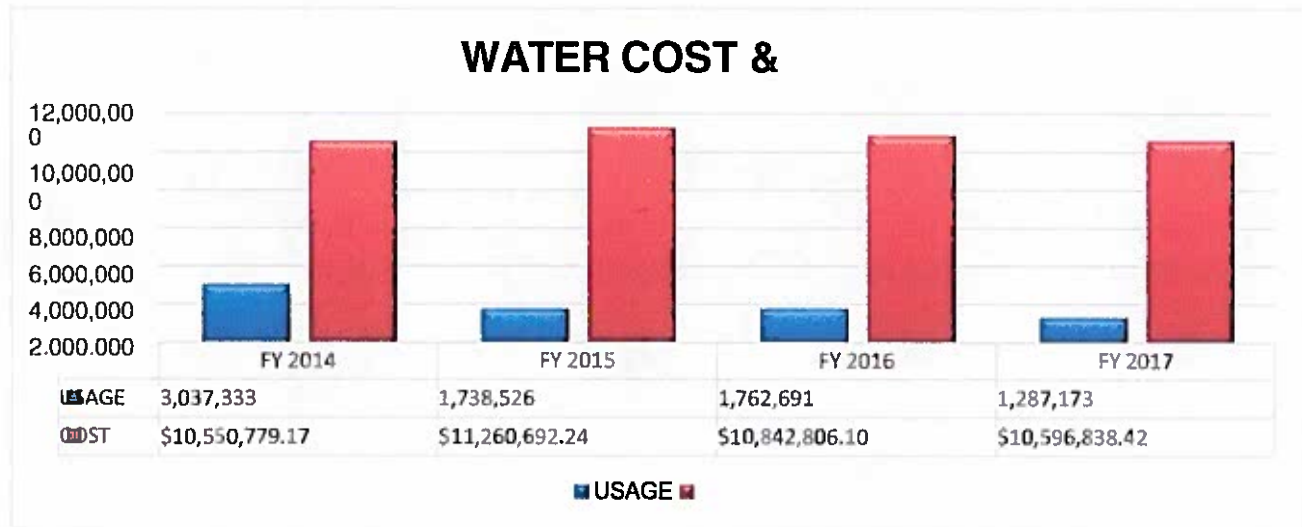


Chart 3

Savings, Rebates and Grants over 5 years

- **Saving = \$1,196,283**
- **Rebates = \$41,068**
- **Grants = \$709,705**

Note: Savings were not calculated for replacement of systems installed during maintenance.

Benchmarking

PHA implemented the benchmarking process by partnering with the utility companies to install automatic meter reading devices. The next step was to survey all the residential units within the conventional and senior sites. Through this process, unit square footage data was collected and then uploaded into the benchmarking tool. To date, PHA has completed more than **7,761** conventional units, and they are all monitored monthly. PHA has also collected the demographic information on all **2,035** LIHTC units, and they are now ready for benchmarking. PHA is finalizing a Memorandum of Understanding with the electric company to collect all the third party payment accounts, which will enable PHA to collect consumption data needed for benchmarking. PHA recently partnered with the Energy Coordinating Agency (ECA) to provide training to staff and residents to enhance energy efficiency usage.

Education and training

EPA Training and Jobs for Residents

The EPA has provided funding of \$199,205 to train 25 PHA residents in waste remediation and environmental health and safety. This training program was recognized as the Interstate Renewable Energy Council's 2013 Clean Energy Training Program of the Year.

ECA is the training provider who partnered with PHA to solicit the EPA grant. In the past year, ten **(10)** PHA residents completed the program and all were certified.

Fleet operations

PHA has entered the first phase of a 5-year leasing plan, which allows PHA to **replace 75-80 vehicles per year with new vehicles that are 30-35% more fuel efficient.**

Recycling

PHA's recycling goal is to decrease the waste in operational and administrative activities. Each year, PHA has strived to raise the bar. During the past 5 years, PHA has achieved the following: The City of Philadelphia has collected over 60,729 tons of waste from the residential units and 28% of the waste product was **recycling equaling over 2,145 tons of recycling material.** The recycling goal for 2020 is to introduce an educational series to residents to increase awareness and the recycling efforts by at least 10%.

Internally the facilities department has responsibility for recycling scrap metal, non-ferrous metal, electronic equipment, batteries and pallets. This initiative has generated a double saving because savings are calculated based on revenue generated from recycling and the saving from not having to use dumpsters. **The total combined saving over the past five years is \$240,589, and the total recycled waste diverted from a land fill is approximately 439 tons over the past five years.**

Other Achievements

- In support of the goal to improve air quality, PHA has begun to see positive results from the implementation of its Smoke Free Policy. The policy, which was adopted by the Board in July of 2015 and developed and implemented with the active collaboration and support of PHA resident leaders, has contributed to an approximate 50% reduction in the presence of nicotine and second hand smoke in public areas at the four PHA communities studied, as documented in a Drexel University study published in April 2017.

Awards and Certifications-(2013-2017)

- PHA's Norris Apartments was recognized with a Commonwealth Award by 10,000 Friends of Pennsylvania, a group dedicated to smart growth and sustainability, and Norris is PHA's first ever LEED Gold development
- Queen Lane Apartments, completed in 2016, received a LEED Silver certification
- Plymouth Hall received a Platinum LEED certification
- PHA won the "Pioneer in Housing Award" (part of the NMA Housing Awards, honoring agencies that build bridges to the future and create real change in their communities and the affordable housing industry) in recognition of its commitment to tackling critical environmental and energy issues with an entrepreneurial approach to financing development, and was particularly recognized for sustainable development

Goals Moving Forward

- Continue to analyze and develop solutions to improve energy efficiency and promote sustainability.
- Expand relationships with each of the utility companies for future partnerships.
- Review and develop a strategy that prioritizes specific sites for implementation of energy retrofit using the recommendations from the assessments.
- Determine five year energy-related capital improvements strategy.
- Implement the energy behavior modification series for residents with our partner PECO.
- Continue to track and monitor utility usage and cost.
- Finalize strategies with utility companies to obtain on-going third party billing.
- Review opportunities to purchase renewable energy.

PARTNERS

Energy Foundation- Grants Environmental

Defense Fund- Fellows

Environmental Protection Agency- Grant, Better Building Partner PECO-
Grant ACT 129

WegoWise- Benchmarking

Philadelphia Water Department – Green Street Grant Energy

Coordinating Agency- Training Residents

HUD Technical Assistant Grant – Training Staff and Residents Enterprise Green Communities – Training
Development Department Better Building Cha

APPENDIX 2

THE PHILADELPHIA HOUSING AUTHORITY
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
12 S. 23rd St.
PHILADELPHIA, PA 19103
THURSDAY, DECEMBER 21, 2017, at 3 p.m.
AGENDA

- A. **Call to Order** Lynette Brown-Sow, Chair of the Board of Commissioners
- B. **Remarks** Kelvin A. Jeremiah, President & CEO
- C. **Approval of Minutes** of the Board Meeting held October 19, 2017, as distributed.
- D. **Presentation of Fifth Annual Sustainability Report – 5 Year Summary**
- E. **New Business**
 - 1. **RESOLUTION AUTHORIZING AMENDMENT 2017-2 TO THE DEFINED CONTRIBUTION PLAN**
(Wendi Barish)
 - 2. **RESOLUTION AUTHORIZING AMENDMENT 2017-1 TO THE RETIREMENT INCOME PLAN**
(Wendi Barish)
 - 3. **RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO SUBMIT ITS MOVING TO WORK ANNUAL PLAN ("PLAN") FOR FISCAL YEAR 2019, INCLUDING RENTAL ASSISTANCE DEMONSTRATION PROGRAM SIGNIFICANT AMENDMENTS, TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") AND TO UNDERTAKE ALL ACTIONS TO OBTAIN HUD APPROVAL AND IMPLEMENT THE PLAN**
(Jennifer Ragen)
 - 4. **RESOLUTION AUTHORIZING SETTLEMENT OF LITIGATION WITH DOMUS, INC.**
(Andrew Kenis)
- F. **Public Comment Period**

RESOLUTION NO. 11972

**RESOLUTION AUTHORIZING AMENDMENT 2017-2 TO THE
DEFINED CONTRIBUTION PLAN**


WHEREAS, the Philadelphia Housing Authority ("PHA") sponsors the Philadelphia Housing Authority Defined Contribution Plan ("DC Plan") for the benefit of its eligible employees; and

WHEREAS, PHA has received a Favorable Determination Letter ("FDL") from the Internal Revenue Service, dated July 17, 2017, affirming the tax-qualified status of the DC Plan, which letter has been made available to the Board of Commissioners; and

WHEREAS, the FDL is contingent upon the adoption of certain amendments to the DC Plan, as set forth on the attached, as Amendment 2017-2; and

WHEREAS, the purpose of this resolution is the incorporation and adoption of the required changes set forth in Amendment 2017-2;

BE IT RESOLVED, that the Board of Commissioners hereby authorizes the President & CEO, and/or his designee(s), to take all necessary steps to adopt the attached Amendment 2017-2, as an amendment to the DC Plan, in accordance with the requirements set forth in the FDL.

I hereby certify that this was
APPROVED BY THE BOARD ON 12/21/17

ATTORNEY FOR PHA

Attachment to Resolution re; Amendment to Defined Contribution Plan

**PHILADELPHIA HOUSING AUTHORITY
DEFINED CONTRIBUTION PLAN
Amended and Restated Effective January 1, 2013
AMENDMENT 2017-2**

The Philadelphia Housing Authority ("PHA") sponsors the Philadelphia Housing Authority Defined Contribution Plan ("DC Plan") for the benefit of its eligible employees. The DC Plan was amended and restated effective January 1, 2013. PHA has received a Favorable Determination Letter ("FDL") from the Internal Revenue Service, dated July 17, 2017, affirming the tax-qualified status of the DC Plan. The FDL is contingent upon the adoption of certain amendments to the DC Plan. The purpose of this Amendment 2017-2 is the incorporation and adoption of such required amendments.

1. Section 1(g) of the DC Plan shall be amended and restated as follows:

"Compensation" shall mean all of each Participant's W-2 earnings reported in Box 1 of Internal Revenue Service Form W-2 and any amount that is contributed by the Employer pursuant to a salary reduction agreement and which is not included in the gross income of the Employee under Code Sections 125 or 132(f) and excluding any amounts paid in the nature of a bonus or severance pay (other than regular compensation for services during the Employee's regular working hours paid during the "post-severance period" which shall be defined as the period beginning on the Eligible Employee's severance from employment and ending on the later of (i) 2-1/2 months after or (ii) the end of the limitation year that includes the date of the Eligible Employee's severance from employment). The above notwithstanding, Compensation shall not include overtime payments or payments attributable to shift differential.

The Annual Compensation under the Plan for any year shall not exceed \$255,000 as adjusted for the cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within the calendar year.

2. Section 1 shall be amended to add the following Section 1(nn):
"Spouse" means the person to whom an individual is married for purposes of Federal income taxes.
3. Each of the above amendments and restatements shall be effective as of the date set forth herein except to the extent that such earlier date is required as a condition for tax qualification under the Internal Revenue Code and applicable administrative guidance.

IN WITNESS WHEREOF, this Amendment has been executed this _____ day of _____, 2017

PHILADELPHIA HOUSING AUTHORITY

ATTEST:

By: _____
Kelvin A. Jeremiah, President & CEO

RESOLUTION NO. 11973

**RESOLUTION AUTHORIZING AMENDMENT 2017-1 TO THE
RETIREMENT INCOME PLAN**

WHEREAS, the Philadelphia Housing Authority ("PHA") sponsors the Philadelphia Housing Authority the Retirement Income Plan, which is also known as the Defined Benefit Plan ("Plan"), for the benefit of its eligible employees; and

WHEREAS, PHA has received a Favorable Determination Letter ("FDL") from the Internal Revenue Service, dated September 27, 2017, affirming the tax-qualified status of the Plan, which letter has been made available to the Board of Commissioners; and

WHEREAS, the FDL is contingent upon the adoption of certain amendments to the Plan, as set forth on the attached, as Amendment 2017-1; and

WHEREAS, the purpose of this resolution is the incorporation and adoption of the required changes set forth in Amendment 2017-1;

BE IT RESOLVED, that the Board of Commissioners hereby authorizes the President and CEO, and/or his designee(s), to take all necessary steps to adopt the Attached Amendment No. 2017-1 as an amendment to the Plan, in accordance with the terms set forth in the FDL.

I hereby certify that this was
APPROVED BY THE BOARD ON 12/21/17

ATTORNEY FOR PHA

Attachment to Resolution re: Amendment to Retirement Income Plan

**PHILADELPHIA HOUSING AUTHORITY
RETIREMENT INCOME PLAN
Amended and Restated Effective November 1, 2012
AMENDMENT 2017-1**

The Philadelphia Housing Authority ("PHA") sponsors the Philadelphia Housing Authority Retirement Income Plan ("Plan") for the benefit of its eligible employees. The Plan was amended and restated effective November 1, 2012. PHA has received a Favorable Determination Letter ("FDL") from the Internal Revenue Service, dated September 27, 2017, affirming the tax-qualified status of the Plan. The FDL is contingent upon the adoption of certain amendments to the Plan. The purpose of this Amendment No. 1 is the incorporation and adoption of such required amendments.

1. Section 1.5 of the Plan shall be amended and restated as follows:

1.5 Beneficiary. The Participant's Beneficiary as designated in Section 7.9. "Contingent Beneficiary" will mean the Participant's Beneficiary and any other Beneficiary designated to be the Beneficiary in the event of the Beneficiary's and Participant's death. With respect to distributions after December 31, 2009, a non-spouse Beneficiary may roll over all or any portion of his or her distribution to an Individual Retirement Account (IRA) established for purposes of receiving the distribution.

2. Section 1.22 shall be amended and restated as follows:

1.22 Earnings.

An Employee's basic compensation received from the Employer excluding overtime payments, commissions, bonuses, severance incentive programs (other than basic compensation for services during the Employee's regular working hours paid during the "post-severance period" which shall be defined as the period beginning on the Eligible Employee's severance from employment and ending on the later of (i) 2-1/2 months thereafter; or (ii) the end of the limitation year that includes the date of the Eligible Employee's severance from employment) and any other additional compensation, but including Employee elective contributions to any cafeteria plan under Sections 125, 132(f) of the Code and any deferred compensation plan under Section 457 of the Code. For Plan Years beginning December 31, 1988 and before January 1, 1996, Earnings and Rate of Earnings in excess of \$200,000 (as such dollar limit is adjusted pursuant to applicable law or regulations from time to time) shall be disregarded. For Plan Years beginning after December 31, 1995 and before January 1, 2002, Earnings and Rate of Earnings in excess of \$150,000 (as such dollar limit is adjusted pursuant to applicable law or regulations from time to time) shall be disregarded. For Plan Years beginning after December 31, 2001, Earnings and Rate of Earnings in excess of \$200,000 (as such dollar limit is adjusted pursuant to applicable law or regulations from time to time) shall be disregarded. Earnings shall include Participant Contributions deemed to be Employer contributions under Code Section 414(h)(2). In all respects, Earnings and Rate of Earnings shall comply with the requirements under Code Section 401(a)(17). In the event that the Employer elects to make "differential wage payments," as defined by Code Section 3401(h)(2), such differential wage payment shall be treated as

Earnings, and the Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

(a) **Average Earnings.** The average Rate of Earnings on the three consecutive November 1st as set forth for each classification of employees in Appendix C of the Plan.

(b) **Rate of Earnings.** An Employee's Rate of annual basic compensation with the Employer on any November 1, excluding overtime payments, commissions, bonuses, and any other additional compensation deemed to be employer contributions. [See Appendix E for Section 1.22 amendment history]

3. Article I shall be amended to add the following Section 1.52

1.52 **Spouse.** The person to whom an individual is married for purposes of Federal tax law.

4. Article VII shall be amended to add the following Section 7.10

7.10 **Death during Active Duty.** In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

5. Section 8.8 is amended and restated in its entirety as follows:

8.8 **Maximum Benefit Limitations.**

(a) **General Limitation.** Except as otherwise provided in this section, the annual retirement benefit payable to any Participant shall not exceed \$205,000 as automatically adjusted pursuant to Section 415(d) of the Code. Such limit, as adjusted pursuant to Section 415(d) shall be referred to hereinafter as the "General Limitation."

(b) **Adjustment of Limitations.**

(1) To the extent the limitations set forth herein may be from time to time adjusted by statutes, regulations or other publications issued by the Internal Revenue Service or successor agency or department, such adjusted amounts shall be substituted for the amounts set forth in this section, provided that no such adjustment shall reduce a Participant's Accrued Benefit unless such adjustment is required to preserve the qualified status of the Plan. To the extent that the limitations under this section become unnecessary by amendment of law, the limitations shall be deemed inoperative under this Plan.

(2) If a benefit is to be distributed in a form other than a single or straight life annuity or joint and survivor annuity (including any death benefit payable as a survivor's annuity), the actuarial equivalent (using an interest rate, however, not less than the greater of five percent (5%) or the valuation rate adopted by the Board upon recommendation by the Plan's actuary) of a single life annuity of such benefit must satisfy the limitations set forth in this section. Notwithstanding the preceding sentence, for purposes of determining whether any benefit payable as a lump sum satisfies the General Limitation of this section, the adjustment described in the preceding sentence shall be made in the manner prescribed in applicable Treasury Regulations such that the

equivalent annual benefit would be the greatest of: (i) the equivalent annual benefit computed using the interest rate and applicable mortality table specified in the plan for actuarial equivalence for the particular form of benefit payable; (ii) the equivalent annual benefit computed using an interest rate assumption of 5.5 percent and the applicable mortality table prescribed by the under section 415(b)(2)(E)(v) of the Tax Code; and (iii) the equivalent annual benefit computed using the interest rate specified in section 417(e)(3) of the Tax Code and the mortality table prescribed under section 415(b)(2)(E)(v) of the Tax Code divided by 1.05. However, for the purposes of such adjustment, any ancillary benefit that is not directly related to retirement income benefits and that portion of any joint and survivor annuity that is actuarially equivalent to the default form of payment benefit payable to a married participant shall not be taken into account.

(3) In the event that a Participant's benefit is to be distributed prior to age 62, the General Limitation shall be actuarially reduced to the actuarial equivalent (using an interest rate, however not less than the greater of five percent (5%) or the valuation rate adopted by the Board upon recommendation of the Plan's actuary) of an annual benefit equal to the dollar amount commencing at age 62, in the manner prescribed by Section 415 of the Tax Code. The General Limitation at an age prior to age sixty-two is determined as the lesser of: (i) the actuarial equivalent (at such age) of the General Limitation computed using a five percent interest rate and the applicable mortality table within the meaning of section 417(e)(3)(B) of the Tax Code (and expressing the participant's age based on completed calendar months as of the annuity starting date) and (ii) the General Limitation multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the plan at age sixty-two, both determined without applying the limitations of Section 415 of the Code. Any decrease in the maximum permissible benefit made in accordance with this paragraph (b)(3) shall not reflect a mortality decrement.

(4) In the event that a Participant's benefit is to be distributed after age 65, the General Limitation shall be actuarially increased to the actuarial equivalent (using an interest rate, however, not greater than the lesser of five percent (5%) or the valuation rate adopted by the Board upon recommendation by the Plan's actuary) of an annual benefit equal to such dollar amount commencing at age 65 in the manner as prescribed by Section 415 of the Tax Code. The General Limitation at an age after age sixty-five is the lesser of: (i) the actuarial equivalent (at such age) of the maximum permissible benefit using a five percent interest rate and the applicable mortality table within the meaning of section 417(e)(3)(B) of the code (and expressing the participant's age based on completed calendar months as of the annuity starting date) and (ii) the General Limitation multiplied by the ratio of the annual amount of the immediately commencing straight life annuity payable to the participant, computed disregarding the Participant's accruals after age 65, but including any actuarial adjustments even if those adjustments are applied to offset accruals, to the annual amount of the straight life annuity that would be payable under the plan to a hypothetical Participant who is 65 years old and has the same accrued benefit (with no actuarial increases for commencement after age 65) as the participant receiving the distribution (determined disregarding the participant's accruals after age sixty-five and without applying the rules of Section 415 of the Tax Code). For purposes of both (i) and (ii) above, mortality between age sixty-five and the annuity starting date shall be ignored.

(5) For purposes of determining any adjustment to the General Limitation as required under this Section 8.8(b), the mortality table shall be the "applicable mortality table." The applicable mortality table shall be the table prescribed by Section 415(b)(2)(E)(v) of the Code any subsequent statutory or regulatory provisions.

6. Each of the above amendments and restatements shall be effective as of the date set forth herein except to the extent that such earlier date is required as a condition for tax qualification under the Internal Revenue Code and applicable administrative guidance.

IN WITNESS WHEREOF, this Amendment has been executed this _____ day of _____, 2017

PHILADELPHIA HOUSING AUTHORITY

ATTEST:

By: _____
Kelvin A. Jeremiah, President & CEO

RESOLUTION NO. 11974

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO SUBMIT ITS MOVING TO WORK ANNUAL PLAN ("PLAN") FOR FISCAL YEAR 2019, INCLUDING RENTAL ASSISTANCE DEMONSTRATION PROGRAM SIGNIFICANT AMENDMENTS, TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") AND TO UNDERTAKE ALL ACTIONS TO OBTAIN HUD APPROVAL AND IMPLEMENT THE PLAN

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") administers a Moving to Work ("MTW") Demonstration Program that is designed to provide the opportunity for selected Housing Authorities to explore and demonstrate more efficient ways to provide and administer low-income housing; and

WHEREAS, since 2001, when HUD accepted PHA's application for participation in the MTW Demonstration Program and HUD and PHA executed a MTW Demonstration Agreement ("MTW Agreement"), pursuant to the Philadelphia Housing Authority ("PHA") Board of Commissioners Resolution No. 10618, dated December 21, 2000, PHA has continuously participated in the MTW Demonstration Program, as detailed in Resolution 11577, adopted by the Board on January 11, 2013; Resolution 11669, approved on January 16, 2014; Resolution 11752, approved on December 18, 2014; Resolution 11825, approved on December 17, 2015; and Resolution 11904, approved on December 15, 2016; and

WHEREAS, as a participant in the MTW Demonstration Program, PHA is required to develop an MTW Annual Plan for each fiscal year during the term of the MTW Agreement, which outlines the PHA budget and MTW activities, and to submit the Annual Plan for approval by its Board at least seventy-five (75) days prior to the beginning of each fiscal year; and

WHEREAS, PHA has developed and distributed to the Board the MTW Annual Plan for Fiscal Year 2019 ("Plan"), beginning on April 1, 2018, a summary of which is attached hereto as Attachment "A," which includes the Rental Assistance Demonstration Program Significant Amendments for Four (4) transfer of assistance developments, and a consolidated budget in accordance with the current MTW Agreement, as PHA is a block grant agency; and

WHEREAS, PHA has fulfilled the HUD requirement of providing opportunities for resident and public participation and comment on the Plan, including scheduling at least one (1) public hearing and taking into consideration any comments received, by: 1) holding an introductory meeting with resident leadership and interested PHA residents on November 13, 2017; 2) holding a Public Hearing on November 29, 2017; 3) posting the draft Plan on PHA's website; 4) making copies of the draft Plan available at PHA site offices; and 5) accepting and considering public comments over a period extending from November 10, 2017 to December 11, 2017;

BE IT RESOLVED that the Board of Commissioners hereby approves the MTW Annual Plan for Fiscal Year 2019, including the Rental Assistance Demonstration Significant Amendments incorporated therein, in substantially the form distributed to the Board, and authorizes PHA's Chair and/or President & CEO or their authorized designee(s) to: 1) submit to HUD the PHA MTW Annual Plan for Fiscal Year 2019; 2) take all steps necessary to finalize and secure HUD approval and implement initiatives as described in the Plan, subject to receipt of adequate funding from HUD; 3) certify that the Public Hearing requirement has been met; and 4) execute the HUD Certifications of Compliance with MTW Plan Requirements and Related Regulations, in substantially the form attached hereto as Attachment "B."

ATTACHMENT “A” TO MTW ANNUAL PLAN RESOLUTION FOR MTW YEAR NINETEEN

Philadelphia Housing Authority – Moving to Work (MTW) Program FY 2019 Annual Plan Highlights

Background

- The FY 2019 MTW Annual Plan covers the period from 04/01/18 through 03/31/19.
- It incorporates current HUD requirements for content, formatting, tables and standard metrics.
- As required by HUD, the Plan’s focus is on “MTW activities,” those that require MTW programmatic or budget flexibility to implement; non-MTW activities are briefly highlighted.
- Incorporates RAD Significant Amendment for four (4) transfer of assistance developments as noted below.
- PHA is also proposing revisions to the Public Housing Admissions and Continued Occupancy Policy (ACOP) and Housing Choice Voucher Program Administrative Plan (Admin Plan). The revisions are not part of the MTW Plan; however, they are being issued simultaneously with the draft Plan and will be covered by the same public comment period and public hearing.

Process

- The MTW Plan, ACOP and Admin Plan public comments are to be solicited from 11/10/17 – 12/11/17.
- PHA advertised the public comment period, and has posted the draft MTW Plan, ACOP and Admin Plan on its website. Copies were distributed to resident leadership and also made available at several PHA offices.
- A resident leadership meeting to review the Plan was held on 11/13/17 and an open public hearing was held on 11/29/17.

Funding

- Funding estimates are preliminary and subject to change based on Congressional appropriations.
- Total projected FY 2019 Public Housing and HCV HAP funding is \$383.39 million. Capital Funds, including Replacement Housing Factor funds, are projected at \$41.26 million for FY 2019. See Tables 9 and 10.
- Non-MTW funding is not included in the MTW Plan.

Households Served Projections

- Public Housing - 13,099 households (Table 7)

- MTW Vouchers (including RAD vouchers)– 17,544 households (Table 7)
- Non-MTW Vouchers – 1,336 households (Table 7A)

MTW Activities

- Two new MTW activities (Homeownership and Youth Educational Enrichment) are proposed, as summarized below.
- Ongoing MTW activities incorporate required HUD standard metrics and benchmarks.

FY 2019 Planned Activities

- The following table provides a summary of major activities and planned objectives, encompassing both MTW and Non-MTW initiatives.

Initiative	FY 2019 MTW and Non-MTW Objectives
<i>Opening Doors to Affordable Homeownership</i>	<ul style="list-style-type: none"> • New activity proposed to consolidate, streamline and enhance PHA’s homeownership activities including 5h (scattered site sales), Housing Choice Voucher Homeownership Vouchers, new development and homeownership readiness and counseling support programs. • Program open to all existing public housing and HCV participants in good standing. A preference will be implemented for FSS participants in good standing. • Program components expanded to include options for: lease to purchase program for both scattered sites and private market rentals with portion of rent to be escrowed for eventual down payment; front-end down payment assistance up to \$15K per households; and, soft second assistance up to \$50K provided that no other homeownership assistance is received. Existing HCV monthly homeownership subsidy option will continue to be made available. • Annual budget of approximately \$1.5 million. • Participants must complete PHA-required homeownership counseling and financial literacy courses • Must agree to participate in annual post-purchase follow-up review for three years (except for those who only receive HCV monthly subsidy).
<i>Youth Educational Enrichment</i>	<ul style="list-style-type: none"> • This is a component of the Sharswood/Blumberg Transformation Plan. • Provides \$500 per pupil annually to support enhanced educational programming for low-income high school students at the Big Picture Philadelphia School in the Vaux Community Building. • Goal is to support students in achieving higher educational outcomes and graduation rates.
<i>“6 in 5” Program New Units</i>	<ul style="list-style-type: none"> • 49 new public housing units planned at New Courtland at Henry Avenue, Phase 1. • 430 new units projected to be under contract as part of Unit Based program. This includes RAD planned conversions (Table 4).
<i>Other Redevelopment Activities</i>	<ul style="list-style-type: none"> • At Blumberg, redevelopment is underway to create 1,200 mixed income rental units including 420 homeownership units along as well as other planned neighborhood improvements. In FY 2019, PHA will begin construction for rehab of the Phase II 94-unit senior tower and Phase III 83-unit on-site rentals; implement 21-unit homeownership phase with Habitat for Humanity; and, finalize plans and financing for Phase IV 40-unit Michaels Development off-site. Also, PHA expects to complete construction on the new headquarters building and begin Phase II of the Vaux Community Building rehab. • At Norris Apartments, as part of the \$30 million Choice Neighborhoods grant and PHA’s redevelopment program, PHA plans to complete construction of Phase II 89 rental units and begin Phase III construction of an additional 50 rental units.
<i>Housing the Homeless</i>	<ul style="list-style-type: none"> • Provide housing vouchers and services for 703 veterans through VASH program. • Provide an additional 14 project-based vouchers for veterans under the VASH program. • Provide housing opportunities for 500 formerly homeless families under Blueprint program. • Under PHA’s Unit Based program, provide units for approximately 375 formerly homeless individuals and

Initiative	FY 2019 MTW and Non-MTW Objectives
	families.
<i>Scattered Site Repositioning</i>	<ul style="list-style-type: none"> • Replace 250 vacant and non-viable units with “transfer of assistance” housing developments through RAD conversions. • Master planning underway for several neighborhoods.
<i>RAD Significant Amendments</i>	<ul style="list-style-type: none"> • Required by HUD for each RAD transaction • FY 2019 Plan includes RAD Significant Amendments for Harlan Street (22 units), Susquehanna Square (37 units), Walton School (44 units) and Blumberg Phase III (83 units). • Additional Significant Amendments for other planned RAD developments will be submitted in the future.
<i>Capital Activities</i>	<ul style="list-style-type: none"> • Implement system repairs and upgrades at various sites across the City (see Tables 6 and 6A).
<i>MTW Rent Policies</i>	<ul style="list-style-type: none"> • No new rent simplification activities are anticipated in FY 2019; however, PHA has clarified that rent simplification will apply at UBV developments, including RAD developments. PHA will continue to implement previously approved MTW initiatives that simplify program administration and provide incentives for economic self-sufficiency. • PHA will expand alternative utility allowance policy to require eligible HCV participants to enroll in the Water Department Tiered Assistance Program (TAP), and will apply the TAP amount as the HCV Utility Allowance for water.
<i>Self Sufficiency and Youth Development</i>	<ul style="list-style-type: none"> • With community partners, provide education, job readiness, job training and job placement programs for adult residents • Provide on-site programs for homework assistance, project based learning, community service, sports and other activities to 210 youth ages 6 to 13. • Award 55 academic scholarships through PhillySEEDS. • Provide summer camp for 320 youth ages 6 to 13. • Provide computer technology labs for academic enrichment to approximately 300 residents • Enroll 150 residents in Financial Literacy programs. • Provide extensive additional services to residents through direct services and partnership programs as summarized in Table 11.
<i>Jobs Plus Pilot Program</i>	<ul style="list-style-type: none"> • Continue to implement place-based employment program at Raymond Rosen Apartments designed to increase the earnings and employment of approximately working-age residents
<i>Local FSS Program</i>	<ul style="list-style-type: none"> • Continue to work on the development of modifications to the MTW FSS program. • Evaluate proposals for FSS program management services.
<i>Second Chance</i>	<ul style="list-style-type: none"> • Continue to implement a time-limited, voucher pilot program to provide supportive services and housing subsidies to formerly incarcerated returning citizens that are active participants in good standing with the Eastern District Federal Court Supervision to Aid Reentry (STAR) Program and Mayor’s Office of Reintegration Services (RISE) Program. Permanent tenant-based vouchers are provided to successful program graduates. PHA also supports the re-entry of returning citizens to existing public housing households, subject to approval by the households,, through a partnership with the Pennsylvania First Judicial Court ex-offender programs.
<i>Small Area Fair Market Rent</i>	<ul style="list-style-type: none"> • Under HUD’s rule regarding implementation of Small Area Fair Market Rents (SAFMRs), Philadelphia is one of the metropolitan areas required to transition from a metropolitan area-wide approach to setting FMRs at the zip code level as a means to expand the options PHA families have to live in higher opportunity neighborhoods. • Implementation of the SAFMR rule has been deferred. PHA will continue to evaluate local MTW options to the SAFMR rule.

Initiative	FY 2019 MTW and Non-MTW Objectives
<i>Right Sizing Occupancy</i>	<ul style="list-style-type: none"> • Continue with efforts to ensure that residents are housed in appropriately sized units, with focus on scattered sites.
<i>Smoke Free Policy</i>	<ul style="list-style-type: none"> • Continue implementation of Smoke Free Policy. • Provide smoking cessation support to residents. • In FY 2019, update policy as needed to meet new HUD regulatory requirements.
<i>Sustainability Policy</i>	<ul style="list-style-type: none"> • Reduce energy use and promote sustainability by implementing agency-wide Green Action Plan. • Continue to implement green standards and energy reduction through D.O.E. Better Buildings Challenge.
<i>HCV Mobility</i>	<ul style="list-style-type: none"> • Continue to implement mobility program with MTW Block Grant funding to encourage moves to high opportunity areas.
<i>Nursing Home Transition</i>	<ul style="list-style-type: none"> • Ongoing partnership with State to provide housing opportunities for 75 persons transitioning out of nursing homes into community-based settings.

ATTACHMENT "B" TO MTW ANNUAL PLAN RESOLUTION FOR MTW YEAR NINETEEN

Certifications of Compliance with Regulations:	
Board Resolution to Accompany the Annual Moving to Work Plan*	
<p>Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning April 1, 2018, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:</p>	
1.	The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2.	The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
3.	The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1.
4.	The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
5.	The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
6.	The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
7.	The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8.	The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9.	The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10.	The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11.	The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.

12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.	
13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.	
14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).	
15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.	
16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.	
17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.	
18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.	
19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).	
20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.	
21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.	
PHA Name	PHA Number/HA Code
I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)	
_____ Name of Authorized Official	_____ Title
_____ Signature	_____ Date

RESOLUTION NO. 11975

RESOLUTION AUTHORIZING SETTLEMENT OF LITIGATION WITH DOMUS, INC.

WHEREAS, on or about June 1, 2014, the Philadelphia Housing Authority ("PHA") entered into contract P-004353 (the "Contract") with Domus, Inc. ("Domus") to provide certain design, construction and construction management services (the "Work") for PHA's Blumberg Phase 1 Redevelopment (the "Redevelopment"); and

WHEREAS, the guaranteed maximum price ("GMP") for work assigned to Domus under the Contract was eighteen million two hundred seventy-four thousand two hundred dollars (\$18,274,200.00); and

WHEREAS, disputes arose over multiple issues including, but not limited to, responsibility for delays, development of the GMP, Change Orders, timeliness of payment, and other issues; and

WHEREAS, on or about March 9, 2017, Domus instituted the action captioned as *Domus, Inc. v. Philadelphia Housing Authority*, in the Court of Common Pleas, Philadelphia County, March Term, 2017, Docket No. 00670, and subsequently filed a complaint on June 28, 2017 (the "Action"), alleging breach of contract, unjust enrichment, and violations of the Prompt Payment Act by PHA in connection with the Redevelopment; and

WHEREAS, PHA denied all of Domus's allegations, and asserted counterclaims against Domus in the Action for breach of contract and unjust enrichment related to Domus's work on the Redevelopment (the "Counterclaim") and Domus denied all of PHA's allegations set forth in the Counterclaims; and

WHEREAS, PHA and Domus desire to amicably resolve and end the Action and Counterclaim; and

WHEREAS, based on an evaluation of the case made by the PHA Office of General Counsel ("OGC"), in cooperation with outside legal counsel and PHA Office of Development, PHA recommends a comprehensive settlement agreement with Domus, to include: 1) a payment of one million dollars (\$1,000,000.00) from PHA to Domus in addition to the GMP; 2) PHA to pay remaining contract amounts, as invoiced and as appropriate pursuant to the contract, up to the GMP amount; 3) Domus to complete open work items; 4) PHA to maintain extended warranties that are part of the contract; and 5) the settlement being contingent on approval by this Board and the U.S. Department of Housing and Urban Development ("HUD"), in exchange for Domus's release of all claims known through the date of settlement; and

WHEREAS, this resolution was determined by OGC and represented to the Board in executive session, pursuant to the Sunshine Act, 65 Pa. C.S.A. §§ 701 *et seq.*, to be in the best interests of PHA.;

BE IT RESOLVED, that Board of Commissioners hereby authorizes PHA's President & CEO and/or his authorized designee(s) to enter into a comprehensive settlement agreement with Domus, subject to the availability of funds therefor, to include: 1) a payment of one million dollars (\$1,000,000.00) from PHA to Domus in addition to the GMP; 2) PHA to pay remaining contract amounts, as invoiced and as appropriate pursuant to the contract, up to the GMP amount; 3) Domus to complete open work items; 4) PHA to receive extended warranties that are part of the contract; and 5) the settlement being contingent on approval by this Board and HUD, in exchange for Domus's release of all claims known through the date of settlement; to settle the claims referenced above, and to take all other actions necessary to conclude the settlement of the litigation and dismissal of the case.