

PHA BOARD of COMMISSIONERS MEETING MINUTES
Thursday, August 15, 2013, 3 p.m., at 12 S. 23rd St., Philadelphia, PA 19103

The regular meeting of the Board of Commissioners was brought to order at approximately 3:15 p.m. by the Chair Lynette M. Brown-Sow, with Commissioners Callahan, Camarda, Jackson, Tate and Wetzel in attendance, as well as President & CEO Kelvin A. Jeremiah ("CEO Jeremiah") and Board Secretary and General Counsel, Barbara Adams. The Chair noted that the Board had just concluded a meeting in executive session to discuss litigation matters with PHA counsel, as well as matters made confidential by law.

After a welcome from the Chair, CEO Jeremiah asked for a moment of silence for Henry Faphunda, a PHA facilities management engineer who died unexpectedly and who was much admired for his dedication to his work.

CEO Jeremiah then noted that: 1) there is a public comment period for amendments to the Moving to Work Plan and Agreement, with a public hearing on August 27, 2013; 2) a total of 26 resident council elections have successfully been concluded; 3) the election for Resident Commissioners is currently on hold and more information will be provided as available; 4) the pre-apprenticeship program has been launched, with an emphasis on job placement and retention; and 5) the Office of Resident Operations and Community Development is providing residents with its annual offering of book bags and after-school supplies.

CEO Jeremiah also shared the news that PHA recently received full accreditation under the Sustainable Performance Institute-HUD Green Organizational Accreditation Pilot Program, for its environmental efforts, and received an Outstanding Achievement Award from the Mid-Atlantic Regional Council of the National Association of Housing and Redevelopment Officials (NAHRO) for Paschall Village. CEO Jeremiah then introduced the new Senior Vice President for the Office for Policy, Research & Enterprise Planning, Martin LaMar, and congratulated Keith Richardson, the Managing Director of PHA Development Corporation, for receiving one of the three 2013 Minority Business Leader Awards from the Philadelphia Business Journal.

The Chair inquired whether there were any corrections to the minutes of the Board meeting of July 18, 2013, and hearing none, the Chair declared the minutes approved as submitted.

Twelve resolutions were presented, all of which were approved, with one being amended.

Resolution 11631, attached in Appendix 1, was presented by Heather McCreary, Executive Vice President - Administration, to authorize PHA to conclude and execute a contract with Dale Corporation, for required elevator replacement at Emlen Arms, in a total amount not to exceed \$1,700,000.00 (one million seven hundred thousand dollars). Following a motion to approve by Commissioner Tate, a second and discussion, including public comment, the resolution was unanimously approved.

Resolution 11632, attached in Appendix 1, was presented by Heather McCreary, Executive Vice President - Administration, to authorize PHA to conclude and execute a contract with Continental Flooring Company for the supply and delivery of floor tile to the central warehouse, in a total contract amount not to exceed \$205,212.00 (two hundred five thousand two hundred twelve dollars). Following a motion to approve by Commissioner Callahan, a second and discussion, including public comment, the resolution was unanimously approved.

Resolution 11633, attached in Appendix 1, was presented by Heather McCreary, Executive Vice President – Administration, to authorize PHA to conclude and to execute a contract with Bayway Lumber for the supply and delivery of lumber products to the central warehouse, in a total contract amount not to exceed \$1,305,363.00 (one million three hundred five thousand three hundred sixty-three dollars). Following a motion to approve by Commissioner Camarda, a second and discussion, including public comment, the resolution was unanimously approved.

Resolution 11634, attached in Appendix 1, was presented by Heather McCreary, Executive Vice President – Administration, to authorize PHA to conclude and to execute a contract with Gerhard's Appliance for the supply and delivery of gas ranges to the central warehouse, in a total contract amount not to exceed \$594,420.00 (five hundred ninety-four thousand four hundred twenty dollars). Following a motion to approve by Commissioner Callahan, a second and discussion, including public comment, the resolution was unanimously approved.

Resolution 11635, attached in Appendix 1, was presented by Joanne Strauss, Executive Vice President - Human Resources and Heather McCreary, Executive Vice President – Administration, to authorize PHA to contract with Nan McKay & Associates, Inc., for training services to PHA for job certifications with regard to public housing, the Housing Choice Voucher program and tax-credit programs, in a total contract amount not to exceed \$500,748.60 (five hundred thousand seven hundred forty-eight dollars and sixty cents). Following a motion to approve by Commissioner Callahan, a second and discussion, including public comment, the resolution was unanimously approved.

Resolution 11636, attached in Appendix 1, was preceded by a presentation on PHA's "6 in 5" housing development program by Kyle Flood, Director - Community Development and Design Development. After this, Heather McCreary, Executive Vice President – Administration, presented the resolution to authorize PHA to obtain approval from the U.S. Department of Housing and Urban Development ("HUD") for PHA to provide an operating subsidy, to include the construction of sixty (60) senior rental affordable housing units, at the NewCourtland Apartments at Allegheny. Following a motion to approve by Commissioner Wetzel, a second and discussion, including public comment, the resolution was unanimously approved.

Resolution 11637, attached in Appendix 1, was presented by Heather McCreary, Executive Vice President – Administration, to authorize PHA to obtain approval from HUD for PHA to provide an operating and capital subsidy for the Impact Veterans and Family Housing Center, which involves the adaptive reconstruction of twenty-six (26) family affordable housing units for veterans. Following a motion to approve by Commissioner Wetzel, a second and discussion, including public comment, the resolution was approved by roll call vote, with all Commissioners

approving except for Commissioner Camarda who abstained from discussion and voting, due to her position with the Salvation Army, which had provided a letter of support for the proposal.

Resolution 11638, attached in Appendix 1, was presented by Kyle Flood, Director - Community Development and Design Development, to authorize PHA to execute and submit any and all reasonable documentation and/or take any steps or actions necessary as a part of the City of Philadelphia's grant application to the Department of Housing and Urban Development for the Choice Neighborhoods Initiative. Following a motion to approve by Commissioner Callahan, a second and discussion, including public comment, the resolution was unanimously approved.

Resolution 11639, attached in Appendix 1, was presented by Kyle Flood, Director - Community Development and Design Development and Celeste Fields, Senior Vice President - Leased Housing, to authorize PHA to take all necessary steps to award and provide nineteen (19) project based vouchers to the *Asociación Puertorriqueños en Marcha* (Association of Puerto Ricans on the March) for its Paseo Verde development, to ensure housing affordability to the low-income families residing in the Paseo Verde development. Following a motion to approve by Commissioner Callahan, a second and discussion, including public comment, the resolution was unanimously approved.

Resolution 11640, attached in Appendix 1, was presented by Joanne Strauss, Executive Vice President - Human Resources to authorize PHA to adopt the amended and restated PHA Retirement Income Plan and the amended and restated PHA Defined Contribution Pension Plan. Following a motion to approve by Commissioner Callahan, a second and there being no discussion or public comment, the resolution was unanimously approved.

Resolution 11641, attached in Appendix 1, was presented by Erik Soliván, Executive Vice President - Community Operations & Resident Development, to approve amendments to PHA's Public Housing Admissions and Continued Occupancy Policy ("ACOP") and Housing Choice Voucher Administrative Plan ("Administrative Plan"), as made available to the Board. Following a motion to approve by Commissioner Callahan, a second and extensive discussion, including public comment, Chair Brown-Sow offered a friendly amendment to adopt the resolution, as presented, with the addition of two provisions: 1) allowing residents and their representatives up to 90 working days from the date of the resolution to provide further comment on the ACOP and Administrative Plan, as amended and adopted by this resolution, after which the Board might consider whether further amendments to the ACOP and the Administrative Plan would be warranted as a result of such comments; and 2) requiring PHA staff to prepare a plan describing the implementation of the approved amendments to the ACOP and the Administrative Plan; both 1) and 2) to be submitted to the Board for its approval no later than 90 working days from the date of this resolution

The changes are reflected in the attached resolution by underlining and a footnote. It was further clarified by the Chair, in response to a question in the public comment period, that the proposed amendments to the ACOP and Administrative Plan, as presented, were adopted by the Board in this resolution; the amendment provisions to the Resolution addressed additional actions in relation to the subject matter of the resolution: the ACOP and Administrative Plan amendments, to be considered at a future meeting of the Board.

The resolution, as amended, was unanimously approved

Resolution 11642, attached in Appendix 1, was presented by Barbara Adams, General Counsel, for approval of a proposed three year pilot program agreement between the Philadelphia Gas Works ("PGW") and PHA whereby PHA would receive the funds being withheld from PHA as a result of liens imposed by PGW upon PHA-auctioned properties; PGW would remove all existing liens, and agree not to further impose liens, upon PHA property, provided PHA continues to assist PGW in providing access to PHA property to shut off gas utilities of non-paying PGW customers who are PHA residents and pays the gas portion of net utility allowance payments directly to PGW, in an amount which is not less than \$650,000 per year; and both parties agree to co-operate in other mutually beneficial ways. Following a motion to approve by Commissioner Wetzel, a second and discussion, including public comment, the resolution was unanimously approved.

The public comment period was then held.

The meeting was adjourned by Chair Brown-Sow at approximately 5:20 p.m.

Respectfully submitted,



Barbara Adams
Secretary
Philadelphia Housing Authority

APPENDIX A

Resolutions approved at the PHA Board of Commissioners Meeting held on August 15, 2013. Numbers 11631 – 11642

RESOLUTION NO. 11631

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO CONCLUDE AND TO EXECUTE A TASK ORDER CONTRACT WITH DALE CORPORATION FOR ELEVATOR REPLACEMENT AT EMLLEN ARMS

WHEREAS, the Philadelphia Housing Authority ("PHA") has identified a need for the demolition and removal of existing elevators and design and replacement with all new elevators and equipment at Emlen Arms; and

WHEREAS, a task order contract was developed under a master contract and a Request for Proposal was sent to appropriate recipients; and

WHEREAS, the proposals received were reviewed and evaluated by the evaluation committee appointed for such purpose (the "Evaluation Committee") and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the consensus evaluation of the Department of Administration, it is recommended that a task order contract be awarded to Dale Corporation for fifteen (15) months after Notice to Proceed, with a total Guaranteed Maximum Price for the task order of \$1,700,000.00 (one million seven hundred thousand dollars) and with the following "Add and Deduct Alternate" to be selected upon completion of design phase:

Add Alternates

- | | |
|-----------------------------------------------------|-------------|
| 1. Maintain existing car during Construction | \$14,258.00 |
| 2. Elevator Remote Monitoring
Access and Control | \$29,228.00 |
| 3. One set of microprocessor boards | \$13,851.00 |

Deduct Alternates

- | | |
|------------------|-----------------|
| Repair and Reuse | |
| 1. Rails | (\$ 136,730.00) |
| 2. Cables | (\$ 13,400.00) |
| 3. Motor | (\$8,300.00) |
| 4. Governor | (\$5,000.00) |

NOW THEREFORE BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to conclude and to execute a task order contract with Dale Corporation, subject to the availability of funds therefore, as set forth above, and to take all necessary actions relating to such contract, including determining whether any options available under the contract shall be exercised.

RESOLUTION NO. 11631
APPROVED BY THE BOARD ON August 15, 2013
Barbara Adams, General Counsel
BY ORDER OF PHA

RESOLUTION NO. 11632

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO CONCLUDE AND TO EXECUTE A CONTRACT FOR THE SUPPLY AND DELIVERY OF FLOOR TILE TO THE CENTRAL WAREHOUSE

WHEREAS, The Philadelphia Housing Authority ("PHA") has identified a need for the supply and delivery of floor tile to the central warehouse; and

WHEREAS, a solicitation was developed according to established procedures and all applicable laws regarding public contracts and the Request for Proposal was mailed to the appropriate companies on PHA Bidders' List and distributed to those who responded to the invitation through the publications; and

WHEREAS, the proposals were reviewed and evaluated by the evaluation committee appointed for such purpose (the "Evaluation Committee") and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the evaluation, it was recommended that a contract be awarded to Continental Flooring Company; and

WHEREAS, it is therefore recommended that the contract be awarded to Continental Flooring Company for a one (1) year base period with an additional two (2) one-year option periods in a per year amount not to exceed \$68,404.00 (sixty-eight thousand four hundred four dollars) for the base year and for each of the two-year options thereafter; for a total contract amount not to exceed \$205,212.00 (two hundred five thousand two hundred twelve dollars) to Continental Flooring Company;

NOW THEREFORE BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to conclude and to execute a contract with Continental Flooring Company Inc., subject to the availability of funds therefore, as set forth above, and to take all necessary and appropriate actions relating to such contract, including determining whether any options available under the contract shall be exercised.

I hereby certify that this was
APPROVED BY THE BOARD ON August 15, 2013
Barbara Davis General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11633

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO CONCLUDE AND TO EXECUTE A CONTRACT FOR THE SUPPLY AND DELIVERY OF LUMBER PRODUCTS TO THE CENTRAL WAREHOUSE

WHEREAS, The Philadelphia Housing Authority ("PHA") has identified a need for the supply and delivery of lumber products to the central warehouse; and

WHEREAS, a solicitation was developed according to established procedures and all applicable laws regarding public contracts and the Request for Proposal was mailed to the appropriate companies on PHA Bidders' List, and distributed to those who responded to the invitation through the publications; and

WHEREAS, the proposals were reviewed and evaluated by the evaluation committee appointed for such purpose (the "Evaluation Committee") and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the evaluation, it was recommended that a contract be awarded to Bayway Lumber; and

WHEREAS, it is therefore recommended that the contract be awarded to Bayway Lumber for a one (1) year base period with an additional two (2) one-year option periods in a per year amount not to exceed \$435,121.00 (four hundred thirty-five thousand one hundred twenty-one dollars) for the base year and for each of the two-year options thereafter; for a total contract amount not to exceed \$1,305,363.00 (one million three hundred five thousand three hundred sixty-three dollars) to Bayway Lumber;

NOW THEREFORE BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to conclude and to execute a contract with Bayway Lumber Inc., subject to the availability of funds therefore, as set forth above, and to take all necessary and appropriate actions relating to such contract, including determining whether any options available under the contract shall be exercised.

I hereby certify that this was
APPROVED BY THE BOARD ON August 15, 2013
Barbara Adams, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11634

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO CONCLUDE AND TO EXECUTE A CONTRACT FOR THE SUPPLY AND DELIVERY OF GAS RANGES TO THE CENTRAL WAREHOUSE

WHEREAS, The Philadelphia Housing Authority ("PHA") has identified a need for the supply and delivery of gas ranges to the central warehouse; and

WHEREAS, a solicitation was developed according to established procedures and all applicable laws regarding public contracts and the Request for Proposal was mailed to the appropriate companies on PHA Bidders' List and distributed to those who responded to the invitation through the publications; and

WHEREAS, the proposals were reviewed and evaluated by the evaluation committee appointed for such purpose (the "Evaluation Committee") and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the evaluation, it was recommended that a contract be awarded to Gerhard's Appliance; and

WHEREAS, it is therefore recommended that the contract be awarded to Gerhard's Appliance for a one (1) year base period with an additional two (2) one-year option periods in a per year amount not to exceed \$198,140.00 (one hundred ninety-eight thousand one hundred forty dollars) for the base year and for each of the two-year options thereafter; for a total contract amount not to exceed \$594,420.00 (five hundred ninety-four thousand four hundred twenty dollars) to Gerhard's Appliance;

NOW THEREFORE BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to conclude and to execute a contract with Gerhard's Appliance, subject to the availability of funds therefore, as set forth above, and to take all necessary and appropriate actions relating to such contract, including determining whether any options available under the contract shall be exercised.

Philadelphia Housing Authority
RESOLVED BY THE BOARD ON August 15, 2013
Barbara L. Davis, General Counsel
20130815

RESOLUTION NO. 11635

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO CONCLUDE AND TO EXECUTE A CONTRACT WITH NAN MCKAY & ASSOCIATES, INC. FOR CERTIFICATION TRAINING

WHEREAS, the Philadelphia Housing Authority ("PHA") has identified a need for training of PHA employees to provide certification as Public Housing Specialists, Housing Choice Voucher Specialists and/or Tax Credit Certification (PAPMC), which certification is intended to be a job requirement; and

WHEREAS, the training curriculum will be designed to inform the PHA employee participants of the U.S. Department of Housing and Urban Development regulations governing basic public housing management, the Housing Choice Voucher program, and/or Tax Credit programs, including, but not limited to rent calculations, occupancy, and eligibility; and

WHEREAS, a solicitation was developed to address this need, according to established procedures and all applicable laws regarding public contracts and the Request for Proposal was mailed to the appropriate companies on PHA Bidders' List and distributed to those who responded to the invitation through the publications; and

WHEREAS, the proposals were reviewed and evaluated by the evaluation committee and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the evaluation, it was recommended that a contract be awarded to Nan McKay & Associates, Inc.; and

WHEREAS, it is recommended that the contract be for a one (1) year base period with three (3) additional one-year option periods, in a total amount (if all options are exercised) not to exceed \$500,748.60 (five hundred thousand seven hundred forty-eight dollars and sixty cents), with: 1) the amount for base year one not to exceed \$180,769.50 (one hundred eighty thousand seven hundred sixty-nine dollars and fifty cents) and 2) the amount for each of the three additional one-year options not to exceed \$106,659.70 (one hundred six thousand six hundred fifty-nine dollars and seventy cents);

NOW THEREFORE BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to conclude and execute a contract with Nan McKay & Associates Inc., subject to the availability of funds therefore, as set forth above, and to take all necessary actions relating to such contract, including determining whether the options available under the contract shall be exercised.

I hereby certify that this was
APPROVED BY THE BOARD ON August 15, 2013
Barbara Wilson, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11636

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO OBTAIN APPROVAL FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO PROVIDE AN OPERATING SUBSIDY FOR THE NEWCOURTLAND APARTMENTS AT ALLEGHENY

WHEREAS, NewCourtland Elder Services (“NewCourtland”) provides healthcare and housing services to low income seniors and plans to revitalize a former industrial brownfield site at 1900 West Allegheny Avenue in North Philadelphia, to create an elder care campus that will co-locate housing and services in order to enhance the quality of care that seniors receive and build the NewCourtland Apartments at Allegheny, a 60-unit new construction tax credit project for low-income seniors with a senior center funded by NewCourtland on the ground floor (the “Development”); and

WHEREAS, funding for the construction of the Development, valued at nearly \$17,000,000.00 (seventeen million dollars), will be provided in part by the proceeds from the sale of the low-income housing tax credits, in the amount of approximately \$1,200,000.00 (one million two hundred thousand dollars), allocated by the Pennsylvania Housing Finance Agency, and additional funding will come from various public and private sources; and

WHEREAS, the Philadelphia Housing Authority (“PHA”) issued a request for proposals (“RFP”), seeking proposals from interested developers to partner with entities to provide new or preserve existing low-income housing opportunities which will be awarded on a rolling basis; and

WHEREAS, pursuant to the terms of the RFP, NewCourtland submitted a proposal to PHA requesting an operating subsidy without capital funding, which the RFP review committee recommends for award; and

WHEREAS, PHA desires to increase the number of affordable housing units in the City of Philadelphia and, through public-private partnerships such as this, PHA will be able to accomplish its mission; and

WHEREAS, PHA will provide an operating subsidy to the Development, in an amount not to exceed \$550.00 (five hundred fifty dollars) per unit per month, subject to NewCourtland’s fulfillment of all applicable program requirements; and

WHEREAS, pursuant to 24 C.F.R. § 941, PHA must submit certain evidentiaries to the U.S. Department of Housing and Urban Development (“HUD”) for approval, and upon HUD approval, PHA must enter into a Mixed-Finance Amendment to the Consolidated Annual Contribution Contract with respect to the Development and enter into such other ancillary documents as may be required to implement the Development (collectively, the evidentiaries and such other ancillary documents are hereinafter referred to as the “Documents”);

BE IT RESOLVED, that the PHA President & CEO or his designee is hereby authorized to negotiate, finalize and submit all the required Documents to HUD for approval, for the purposes as set forth above, and to take all necessary or desirable actions to provide an operating subsidy to the NewCourtland Apartments at Allegheny.

I hereby certify that this was
APPROVED BY THE BOARD ON August 15, 2013
Arthur Bellamy, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11637

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING TO OBTAIN APPROVAL FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO PROVIDE AN OPERATING AND CAPITAL SUBSIDY FOR THE IMPACT VETERANS AND FAMILY HOUSING CENTER

WHEREAS, the Impact Services Corporation plans to expand the Impact Veterans and Family Housing Center at 1952 E. Allegheny Ave (the "Development"), through the adaptive re-use of an existing office building into 26 units of affordable family housing for special programs residents; and

WHEREAS, funding for the construction of the Development, valued at approximately \$8,000,000.00 (eight million dollars), will be provided in part by the proceeds from the sale of low-income housing tax credits, in the amount of approximately \$722,000.00 (seven hundred twenty-two thousand dollars) allocated by the Pennsylvania Housing Finance Agency, and additional funding will come from various public and private sources; and

WHEREAS, the Philadelphia Housing Authority ("PHA") issued a request for proposals ("RFP"), seeking proposals from interested developers to partner with entities to provide new or preserve existing low-income housing opportunities which will be awarded on a rolling basis; and

WHEREAS, pursuant to the terms of the RFP, Impact Services Corporation submitted a proposal to PHA requesting an operating subsidy and request for \$500,000.00 (five hundred thousand dollars) in capital funding for the Development, which the RFP review committee recommends for award; and

WHEREAS, PHA desires to increase the number of affordable housing units in the City of Philadelphia and, through public-private partnerships such as this, PHA will be able to accomplish its mission; and

WHEREAS, PHA will provide an operating subsidy to the Development, in an amount not to exceed \$550.00 (five hundred fifty dollars) per unit per month, subject to Impact's fulfillment of all applicable program requirements; and

WHEREAS, pursuant to 24 C.F.R. § 941, PHA must submit certain evidentiaries to the U.S. Department of Housing and Urban Development ("HUD") for approval, and upon HUD approval, PHA must enter into a Mixed-Finance Amendment to the Consolidated Annual Contribution Contract with respect to the Development and enter into such other ancillary documents as may be required to implement the Development (collectively, the evidentiaries and such other ancillary documents are hereinafter referred to as the "Documents");

BE IT RESOLVED, that the PHA President & CEO or his designee is hereby authorized to negotiate, finalize and submit all the required Documents to HUD for approval, for the purposes as set forth above, and to take all necessary or desirable actions to provide an operating subsidy, in an amount not to exceed \$550.00 (five hundred fifty dollars) per unit per month, subject to Impact's fulfillment of all applicable program requirements, and an amount not to exceed \$500,000.00 as a capital subsidy to the Impact Veterans and Family Housing Center.

I hereby certify that this was
APPROVED BY THE BOARD ON August 15, 2013
Barbara Adams, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11638

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO TAKE ALL NECESSARY STEPS TO SUBMIT AND IMPLEMENT A CHOICE NEIGHBORHOOD IMPLEMENTATION GRANT AS A CO-APPLICANT, WITH THE CITY OF PHILADELPHIA AS THE LEAD APPLICANT, TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN CONNECTION WITH THE PLAN FOR THE REVITALIZATION OF THE NORRIS HOMES CONVENTIONAL SITE AND THE NORTH CENTRAL PHILADELPHIA COMMUNITY

WHEREAS, the Department of Housing and Urban Development ("HUD") Appropriations Act, as part of the Consolidated Appropriations Act (Public Law 111-117) and Section 24 of the United States Housing Act of 1937, as amended, (42 U.S.C *et seq*), authorizes HUD to make funds available for implementation grants as a part of HUD's Choice Neighborhoods Initiative ("CNI"); and

WHEREAS, the City of Philadelphia desires to submit a grant application and will be the lead applicant for CNI funds; and

WHEREAS, the Philadelphia Housing Authority ("PHA") desires to be the co-applicant on the City of Philadelphia's CNI grant application; and

WHEREAS, the City of Philadelphia and PHA must comply with the Notice of Funding Availability for Choice Neighborhood Implementation Grants Fiscal Year 2013, published on May 30, 2013 ("NOFA") in its submission of a CNI grant application; and

WHEREAS, the community of the proposed project is primarily located near PHA's Norris Homes in North Central section of Philadelphia; and

WHEREAS, PHA believes that the City's application for funds through the CNI program can be utilized in order to renovate, demolish, or dispose, in whole or in part, PHA's Norris Apartments, and may include the development of more than 200 new mixed income rental units, and community/supportive services; and

WHEREAS, as co-applicant to the CNI grant, PHA will provide the housing services required by the terms of the CNI grant application;

NOW THEREFORE BE IT RESOLVED, that the Board of Commissioners hereby authorizes the PHA President & CEO or his designee(s) to execute and submit any and all reasonable documentation needed in order to participate in the City of Philadelphia's CNI grant application, and to take all reasonable and necessary actions to implement this resolution and complete the CNI grant application submission to HUD.

I hereby certify that this was
APPROVED BY THE BOARD ON August 15, 2013
Barbara Adams, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11639

RESOLUTION AUTHORIZING THE AWARD OF NINETEEN (19) PROJECT-BASED VOUCHERS TO THE ASOCIACIÓN PUERTORRIQUEÑOS EN MARCHA (ASSOCIATION OF PUERTO RICANS ON THE MARCH)

WHEREAS, the Philadelphia Housing Authority ("PHA") operates a unit-based program for project-based vouchers ("Vouchers"), pursuant to which PHA's voucher assistance is attached to specific housing units or developments; and

WHEREAS, pursuant to 24 C.F.R. § 983.51(b), PHA must select Voucher proposals in accordance with its Administrative Plan and, pursuant to 24 C.F.R. § 983.51 (b)(2), PHA may select a proposal for Voucher assistance if that proposal was selected during a competitive process conducted within the prior three years for another federal, state, or local government housing assistance program, both of which above-referenced C.F.R. provisions are included in PHA's Administrative Plan; and

WHEREAS, *Asociación Puertorriqueños en Marcha* (Association of Puerto Ricans on the March) ("APM") is a not-for-profit organization that is seeking to ensure housing affordability to the low-income families residing in its Paseo Verde development (the "Development"); and

WHEREAS, pursuant to a competitive process, APM received Low Income Tax Credits ("LIHTC") and Philadelphia Housing Trust Fund ("Trust Fund") awards; and

WHEREAS, PHA has determined that the award of the LIHTC and Trust Funds fulfills the requirements of 24 C.F.R. § 983.51 (b)(2); and

WHEREAS, PHA deems it desirable and in the best interest of PHA and its participants to award nineteen (19) project-based Vouchers to the Development, in order to ensure housing affordability to the low-income families residing in the Development;

NOW THEREFORE BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to award nineteen (19) project-based Vouchers to the Development, which, subject to annual appropriations, may be for an initial term of up to fifteen (15) years and renewed for subsequent terms of up to fifteen (15) years, or such periods as permitted by applicable law, provided that any term renewals will only be granted if the President & CEO determines that such renewals are in the best interest of PHA and/or low-income families in Philadelphia; and

BE IT FURTHER RESOLVED, that the President & CEO or his authorized designee is authorized to negotiate and enter into agreements, contracts, and ancillary documents, including a Memorandum of Understanding, Agreement to Enter into a HAP Contract, and/or HAP Contract, and to take any and all other necessary or desirable actions, as are required to effectuate the resolutions set forth herein; and

BE IT FURTHER RESOLVED, that any and all actions previously taken by any authorized officer of PHA in connection with the resolutions set forth herein, are hereby ratified.

I hereby certify that this was
APPROVED BY THE BOARD ON August 11, 2013
Barbara Adams, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11640

RESOLUTION ADOPTING THE AMENDED AND RESTATED PHILADELPHIA HOUSING AUTHORITY RETIREMENT INCOME PLAN AND THE AMENDED AND RESTATED PHILADELPHIA HOUSING AUTHORITY DEFINED CONTRIBUTION PLAN

WHEREAS, the Philadelphia Housing Authority ("PHA") is the Plan Sponsor of the Philadelphia Housing Authority Retirement Income Plan (the "Retirement Income Plan") and the Philadelphia Housing Authority Defined Contribution Pension Plan (the "Defined Contribution Plan"); and

WHEREAS, the Retirement Income Plan was last restated effective November 1, 2009; and

WHEREAS, the Defined Contribution Plan was last restated effective January 1, 2010; and

WHEREAS, PHA has enacted numerous changes to the Retirement Income Plan and the Defined Contribution Plan since the plans were last restated, including, but not limited to: 1) changes mandated under the terms of the respective Memoranda of Agreement by and between PHA and AFSCME District Council 33, Local 934 ("Local 934"), the Building and Construction Trades Council of Philadelphia and Vicinity ("BCTC"), AFSCME District Council 47, Local 2186 and Local 2187 ("Local 2186" and "Local 2187" respectively), Fraternal Order of Housing Police ("FOHP") and the Service Employees International Union Local 32 BJ ("SEIU 32BJ"); and 2) the adoption of plan loan procedures with respect to the Defined Contribution Plan; and

WHEREAS, PHA desires to make the following additional changes to the Retirement Income Plan and the Defined Contribution Plan: 1) the elimination of concurrent active participation in both Plans; 2) provisions to address distributions that may be subject to the Pennsylvania Pension Forfeiture Act; 3) the formal name change of the Defined Contribution Plan; and 4) changes mandated in order for the respective Plans to maintain tax qualified status under the Internal Revenue Code of 1986; and

WHEREAS, PHA has applied for a favorable determination letter from the Internal Revenue Service on the tax qualified status of the Retirement Income Plan and the Defined Contribution Plan; and

WHEREAS, legal counsel to the Philadelphia Housing Authority Pension Board has recommended that both the Retirement Income Plan and the Defined Contribution Plan be amended and restated to: 1) memorialize in a single plan document all changes made to each plan since its last restatement; and 2) incorporate such new amendments in each plan as deemed necessary and appropriate;

BE IT RESOLVED THAT, the PHA President & CEO or his designee is hereby authorized to execute the amended and restated Retirement Income Plan, effective November 1, 2012, and the amended and restated Defined Contribution Plan, effective January 1, 2013, in accordance with applicable law, and

BE IT FURTHER RESOLVED THAT, the PHA President & CEO or his designee is authorized to execute any subsequent amendment to the Retirement Income Plan and/or the Defined Contribution Plan, if required by the Internal Revenue Service as a condition of a favorable determination of the tax qualified status of the Retirement Income Plan and/or Defined Contribution Plan.

I hereby certify that this was
APPROVED BY THE BOARD ON August 15, 2013
Barbara Williams, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11641

RESOLUTION APPROVING AMENDMENTS TO THE PHILADELPHIA HOUSING AUTHORITY'S PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY POLICY AND THE HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN

WHEREAS, the Philadelphia Housing Authority ("PHA") has Admissions and Continued Occupancy Policies ("ACOP") applicable to the Public Housing program, dated February 1, 2012, that provide for PHA to update the ACOP "to reflect changes in regulations, MTW [Moving-to-Work] initiatives, PHA operations, or when needed to ensure staff consistency in operation" (Pg. 2 of ACOP, "Updating and Revising the Plan"), with the approval of the Board of Commissioners; and

WHEREAS, PHA has an Administrative Plan ("Administrative Plan"), applicable to the Housing Choice Voucher Program, dated October 1, 2011, that provides for PHA to update the Administrative Plan "to reflect changes in regulations, MTW [Moving-to-Work] initiatives, PHA operations, or when needed to ensure staff consistency in operation," (Pg. 2 of Administrative Plan, "Updating and Revising the Plan"), with the approval of the Board of Commissioners; and

WHEREAS, PHA has determined that the proposed amendments to the ACOP and the Administrative Plan, as made available to the Board and to the public for review, which had an eighty-four (84) day public comment period, and as substantially reflected on the attached Summary Sheet (Exhibit "A", attached to this Resolution), are necessary and appropriate;

NOW THEREFORE BE IT RESOLVED, that the PHA Board of Commissioners hereby approves the Changes to the ACOP and Administrative Plan, as made available to the Board and to the public for review and as substantially reflected on the attached Summary Sheet (Exhibit "A," attached to this Resolution), effective on December 1, 2013;

BE IT FURTHER RESOLVED, that the residents and their representatives shall, for a period not to exceed 90 working days from the date of this resolution, be authorized to provide further comment on the ACOP and Administrative Plan as amended and adopted by this resolution so that the Board, following such 90 working day period, might consider whether further amendments to the ACOP and the Administrative Plan are warranted as a result of such comments; and

BE IT FURTHER RESOLVED, that appropriate PHA staff shall prepare a plan describing the implementation of the approved amendments to the ACOP and the Administrative Plan, which implementation plan shall be submitted to the Board for its approval no later than 90 working days from the date of this resolution.¹

I hereby certify that this was
APPROVED BY THE BOARD ON *August 15, 2013*
Barbara Adams, General Counsel
ATTORNEY FOR PHA

¹ The underlined language was added by the Board of Commissioners as an amendment to this resolution, at the meeting at which this resolution was considered and approved.

EXHIBIT "A"

TO RESOLUTION ON PROPOSED AMENDMENT TO PHA'S ACOP AND ADMINISTRATIVE PLANS
(08/01/2013)

A. Admissions and Continued Occupancy Policy **Summary of Proposed Changes**

Chapter 1: Overview of the Program & Plan

Page 4 – Criminal Records

Proposed Addition: "The record of screening shall be retained, for residents who enter into leases, until 4 years after the end of the tenancy, and for applications of ineligible families and notices of ineligibility, for 4 years (for public housing), or as required by PHA's record retention policy and applicable housing laws and regulations."

Chapter 4: Eligibility

Page 14 – Family and Household

Removes the language allowing tenants to demonstrate an interdependent relationship in order to qualify as "family"

Definition changed to match HUD regulation 24 C.F.R. 5.403

Page 22 – Family Consent to Release of Information

Adds "and utilities consumption and expenses" to list of information PHA is authorized to collect

Page 28 – Previous Behavior

PHA has the discretion to deny an applicant with unsuitable past history in meeting financial obligations, including: any past due utility bill over \$750

Previously language stated: Any electric bill over \$750 and/or any gas bills over \$1,250. Gets rid of the arrearage amount for gas and electric bills, makes it any utility bill over \$750.

Chapter 5: Applications, Waiting List and Tenant Selection

Page 39 – Special Housing Initiatives (SHI)

Adds language and guidelines for Special Housing Initiatives

Page 40 – Application Interview

Applicants will be required to sign verification forms necessary to solicit income, family information, and utilities information.

Previously, applicants only needed to sign verification forms necessary to solicit income and family information. Now tenants must verify utility information.

Chapter 7: Income and Adjusted Income

Page 50-52 – Annual Income

Defines how the value of assets are determined based on the current passbook savings rate

Adds language: A list of Federally mandated exclusions is included as Appendix

C to this Administrative Plan.

Defines how the value of assets are determined based on the current passbook savings rate

List of exclusions added into Appendix C

Page 57 – Rounding of Income and Deductions

Adds guidelines about how social security income will be calculated

Adds guidelines for rounding and determining other sources of income

Chapter 8: Rent

Page 58 – Total Tenant Payment & Rent Simplification

Revises features of the program to include:

Revision of the current system of utility allowances to encourage energy conservation, enrollment in utility companies' low-income, —cap or similar program in which a tenant makes a fixed payment based upon income rather than consumption, and other utility cost savings

Page 60 – Ceiling Rent

Establishment of a ceiling rent schedule

Removes the following provision: Revision of ceiling rent schedule with calculation based on a percentage of the HCV Fair Market Rent.

Page 61-62 – Utility Allowances, Utility Allowance Payments, & Utility Allowance Schedule Revisions

Provision that states that new utility allowances will be set according to methodologies authorized under MTW Agreement and Plan.

Addition: "PHA also may adjust utility allowances for changes in HUD operating subsidy amounts received by PHA."

Based on meetings with CLS and RAB, PHA will remove the deletion of the following sentences under the Utility Allowance.

Proposed Add Back: "Implementation of utility allowance policies at scattered sites will be dependent on prior legal agreements".

Based on meetings with CLS and RAB, PHA will remove the deletion of the following sentences under the Utility Allowance.

Proposed Add Back: "Adjustments to tenant payments as a result of utility allowance schedule must be retroactive to the first day of the month in which the last rate change taken into account in such revision became effective."

Proposed Addition: "PHA will cooperate with tenants seeking a release by a utility company of a credit balance on a tenant utility account, but PHA may limit requests for release to once per year, may condition its consent upon payment of delinquent rent and/or upon the utility's retention of a reserve for seasonal fluctuations in consumption."

Chapter 9: Verification

Page 63 – Consent to Release of Information

PHA to obtain tenant consent to allow PHA to request tenant utility consumption and expense information from utility providers

Page 68 – Verification of Zero Income

Changes language: EIV check to confirm that the individual member has no income

Chapter 10: Leasing and Inspections

Page 73 – Utilities

Removes language: It shall be a material breach of the lease for the tenant to fail to pay any utility bills that they are responsible for under the lease.

Chapter 15: Terminations

Page 118 – Other Serious or Repeated Violations of Material Terms of the Lease

Adds language regarding sex offender status as grounds for mandatory termination from PHA

As a result of meetings with CLS and RAB, PHA will revise the language under the section for Other Serious or Repeated Violations of Material Terms of the Lease regarding utility payments.

Proposed Revisions: "Failure to comply with any lease requirements to pay utilities where there is an enforcement action by a utility provider for non-payment"

Chapter 18: Special Programs and Allocations

Page 133-134 – Special Housing Initiatives

Addition of language regarding Special Housing Initiatives, such as the Blueprint to End Homelessness, and other partnerships authorized under the MTW plan

Glossary of Public Housing Terms

Page 162 – Rent

Removes the definition of Total Tenant Payment

Page 164 – Utility Allowance & Utility Reimbursement (Utility Assistance Payment – UAP)

Modifies definition of “Utility Reimbursement” and “Utility Allowance”

As a result of meetings with CLS and RAB, PHA will remove the deletion of the following sentences under “Utility Reimbursement”.

Proposed Add Back: “Families paying Ceiling Rent do not receive Utility Allowance and, consequently, will never qualify for utility reimbursement.”

Appendix C: Federally Mandated Income Exclusions

Page 171 - 172

Amended per Chapter 7 revision.

B. Housing Choice Voucher Program Administrative Plan
Summary of Proposed Changes

Chapter 2: General Policies

Page 4 – Criminal Records

Revision: “PHA will retain a record of the screening, including the type of screening and the date performed until four years after the end of tenancy.”

Chapter 4: Eligibility

Page 21 – Family and Household

Removes the language allowing tenants to demonstrate an interdependent relationship in order to qualify as “family”

Definition changed to match HUD regulation 24 C.F.R. 5.403

Proposed Add Back: Under definition of “Family,” add back reference to persons with “Interdependent Relationship.”

Page 25 – Seven Year Term Limit

Seven Year Term limit policy has been removed.

Page 34 – Screening for Suitability as a Tenant

Addition: “Upon owner request, PHA will provide the owner with a family’s current and prior address as shown in PHA records.”

Chapter 5: Application, Wait List and Tenant Selection

Page 39 – Placement on the Waiting List

Addition: When the Waiting List is open for a finite period of time, PHA will notify applicants of the method for submitting applications and ordering applications on the wait list.”

Page 43 – Special Housing Initiatives (SHI)

Adds language and guidelines for Special Housing Initiatives

Chapter 8: Income and Adjusted Income

Page 55 – Annual Income

Addition: “PHA will establish its own passbook savings rate according to the guidance provided in HUD Notice PIH 2012-29. At the start of each fiscal year, PHA will review the current Savings National Rate as calculated by the Federal Deposit Insurance Corporation (FDIC). PHA will then establish a passbook rate by adding 75 basis points (.75 percent) to the current Savings National Rate. At no time will PHA’s passbook rate be less than 0 percent. PHA will apply this policy to calculate imputed asset income consistently to all applicants and participants. For example, if the published FDIC Savings National Rate at the PHA establishes its passbook rate is .12% PHA would add 75 basis points (.75 percent) for a passbook savings rate of .87%.”

Page 57 – Annual Income Exclusions

List of exclusions added to Appendix C

Page 64 – Rounding of Income and Deductions

Adds guidelines about calculating social security income

Adds guidelines for rounding and determining other sources of income

Chapter 9: Family Share & Subsidy Determination

Page 69 – Utility Allowance Payments

Revision: "When the PHA subsidy for a family exceeds the rent to owner, the family is due a Utility Allowance."

Chapter 10: Verification

Page 75 – Verification of Zero Income

Changes language: EIV check to confirm that the individual member has no income

Chapter 12: Rent Reasonableness & Rent Changes

Page 88 – Property Specific Rent Policies

Removal of provision to match MTW Plan.

Chapter 15: Payment Standards & Utility Allowances

Page 108-109 – Utility Allowance

Adds option for PHA making utility allowance payments directly to the utility company.

Proposed Add Back: "PHA will periodically, at its discretion, review HCV allowance schedules to determine if adjustments are required. Annual updates will not be required."

PHA will calculate utility allowances based upon PGW's CRP payment schedule for tenants who are eligible for such programs based on income; ineligible tenants' utility allowance to be calculated using standard policy.

Proposed Addition: "PHA will cooperate with tenants seeking a release by a utility company of a credit balance on a tenant utility account, but PHA may limit requests for release to once per year, may condition its consent upon payment of delinquent rent and/or upon the utility's retention of a reserve for seasonal fluctuations in consumption."

Page 116-119 – Interim Recertification

Elderly and disabled households are now excluded from requirements of voluntary interim recertifications.

Removes language: When any new family member is added to the household, PHA will conduct an interim recertification to determine any new income or deductions associated with the additional family member.

All families must report all changes in family and household composition that occur between recertifications.

PHA will conduct interim recertifications to account for any changes in household composition that occur between recertifications. Any income and/or deduction changes resulting from the composition change will be considered as well.

Interim recertifications due to changes in family composition do not count toward the limit on interim recertifications.

Families are required to report to PHA, within 30 calendar days, any changes in family composition which may occur between regularly scheduled recertifications.

Chapter 18: Portability

Page 129 – Eligibility for Port-Out (MTW) and Financial Hardship Waiver for Port-Out (MTW)

PHA will require existing owners provide a letter of good standing for existing tenants as a condition for approval of a move, however, if the owner does not respond, PHA will continue processing the move.

Policies regarding eligibility to port-out added to match MTW initiative in the HUD-Approved MTW Plan. As an MTW agency, PHA has a waiver to the regulations allowing the imposition of additional criteria.

Chapter 20: Termination of Assistance and Tenancy

Page 149 – Termination Due to State Registered Lifetime Sex Offender Status

Sex offender mandatory termination added.

Chapter 21: Program Integrity

Page 159 – Debt and Repayment Agreements

Addition of repayment policies: Maximum term of a repayment agreement is 24 months; before executing a repayment agreement, PHA will generally require that the family pay at least 25% of the total amount owed with remaining balance paid in monthly installments; tenants have 10 business days to make late payment after notice; if a family receives more than 3 delinquency notices in a 12 month period, they can be terminated; and PHA will not enter into more than 1 repayment agreement within a five year period - subsequent claims must be paid in full.

Chapter 22: Special Programs and Allocations

Pages 167-168 – Special Housing Initiatives

Addition of language regarding Special Housing Initiatives, such as the Blueprint to End Homelessness, and other partnerships authorized under the MTW plan.

Chapter 23: Unit Based Program

Page 176 – Owner Responsibilities Under the HAP Contract

Addition: "Each contract unit for which the owner is receiving HAP is leased to an eligible family referred by PHA or the owner, and the lease is in accordance with the HAP contract and HUD requirements."

Page 182 – Rent to Owner for PHA Owned Units

Addition: "The amount of the initial rent to an owner of units receiving UBV assistance is established at the beginning of the HAP contract term. For PHA owned units, an independent entity approached by HUD must establish the initial contract rents based on an appraisal by a licensed, state-certified appraiser."

Pages 184-185 – Tenant Rent to Owner

Adds option for PHA making utility allowance payments directly to the utility company.

Chapter 24: Moderate Rehabilitation (Mod Rehab), Single Room Occupancy (SRO), & Shelter Plus Care (S + C) Mod Rehab/SRO

Page 186-200 – Shelter Plus Care Moderate Rehabilitation SRO Policies

Addition of HUD-approved policies added as a result of HUD S+C Monitoring Review.

Appendix C: Federally Mandated Income Exclusions

Page 246

Amended per Chapter 8 revision.

RESOLUTION NO. 11642

RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE PHILADELPHIA HOUSING AUTHORITY AND THE PHILADELPHIA GAS WORKS

WHEREAS, the Philadelphia Gas Works ("PGW") has filed liens against a number of properties of the Philadelphia Housing Authority ("PHA"), the effect of which is to make PHA responsible for paying the delinquent gas accounts of PHA tenants who have received utility allowances from PHA; and

WHEREAS, PHA disputes the legal authority of PGW to file liens against PHA-owned properties; and

WHEREAS, in a process of negotiation completed at a meeting on August 13, 2013, PHA and PGW reached agreement in principle regarding a three year pilot program which would return funds withheld from PHA as a result of the liens filed by PGW upon PHA property and provide for a landlord co-operation program to reduce the level of PHA resident gas utility payment delinquencies and other mutually beneficial initiatives, according to the terms outlined in the Term Sheet attached hereto as Exhibit B (the "Term Sheet"); and

WHEREAS, the Term Sheet calls for PHA and PGW to enter into an Intergovernmental Agreement ("PGW Pilot Agreement") consistent with the Term Sheet to be fully executed by September 15, 2013; and

WHEREAS, in accordance with the Term Sheet, the executed PGW Pilot Agreement will require PGW to return all PHA money, release all liens against PHA properties and agree not to file future liens and, in turn, requires PHA to cooperate with PGW shutoff efforts and to pay directly to PGW the net utility allowance reimbursement for tenants with gas accounts in their own names in an amount not less than \$650,000 per year, with such direct payment program to begin within 90 days after the PGW Settlement Agreement is signed; and

WHEREAS, it is in the best interests of PHA to enter into the PGW Pilot Agreement consistent with the terms of the Term Sheet;

NOW THEREFORE BE IT RESOLVED, that authority is granted to the President & CEO or his authorized designee to complete and to execute the PGW Pilot Agreement upon terms that are substantially consistent with the Term Sheet, and to take all necessary actions to consummate the transactions contemplated by the Term Sheet and the PGW Pilot Agreement; and

FURTHER RESOLVED, that all actions taken by the President & CEO and PHA staff to date in connection with the Term Sheet and the actions contemplated thereby are hereby authorized and approved.

I hereby certify that this was
APPROVED BY THE BOARD ON August 15, 2013
Barbara Adams, General Counsel
ATTORNEY FOR PHA

TERM SHEET

PHILADELPHIA GAS WORKS AND PHILADELPHIA HOUSING AUTHORITY

August 13, 2013

The following are the principal terms to be included in a written "Intergovernmental Cooperation Agreement Regarding Gas Utility Program" (the "Agreement") between Philadelphia Gas Works ("PGW") and Philadelphia Housing Authority ("PHA") to be executed no later than September 15, 2013. This term sheet does not include all details and is not intended to be a contract or to be binding upon PGW or PHA; rather it is a summary of the current state of negotiations between them.

1. **Term of Agreement:** A 'pilot program' of 3 years; 5 months prior to the end of the pilot program, the parties agree to begin to participate in meetings in which they shall review the effectiveness of the pilot program and negotiate in good faith, using best efforts (which does not prevent either party from giving reasonable consideration to its own interests), a long term agreement satisfactory to both parties which shall require PHA to continue making direct utility allowance payments to PGW and enable PGW to have access to gas meters at properties owned by PHA to enable shut off of gas utilities in the event of non-payment by PGW customers with respect to such properties, and such negotiations shall include discussion of a remedy for PGW for a Failure of Cooperation.

2. PHA Undertakings:

a. Register all PHA-owned properties (including all scattered sites and "LS" program properties) where gas service account is in resident/tenant name and, for such properties, fully cooperate in providing PGW with access for shut-off, maintenance and other purposes, and take prompt action to remove obstructions or conditions that prevent access to meters; a 'Failure of Cooperation' (see paragraph 4.) by PHA at any property (except for existing 'LS Program' properties) will result in transfer of the property's account to PHA's name for the longer of 6 months or until a new account-holder is accepted by PGW (according to PGW's standard eligibility requirements and applicable law); provided however that for the first twelve (12) Failures of Cooperation at registered properties annually (i.e. for a total of 12 meter accesses annually), PHA shall have seven (7) business days after notice from PGW to cure each such failure. PHA will not pay a fee in connection with the cooperation program. The forgoing 'Failure of Cooperation' clauses shall be in effect for the duration of the pilot program, but PHA's obligation to cooperate fully in providing PGW with access for shut-offs, maintenance and other reasonably necessary and appropriate purposes, and take prompt action to remove obstructions or conditions that prevent access to meters shall continue in perpetuity or until both PHA and PGW agree in writing that such obligation is terminated or amended. The procedures for access include: one planned full working day cooperation day per week; PGW to request access by e-mail; within 5 business days, PHA to schedule access on next available planned cooperation date with a 2-hour time window for the first appointment of the day; PHA to give prior notice to tenants as required by law regarding PHA's rights to access

resident/tenant property; PHA to provide manager, locksmith, police officer and, if necessary, carpenter.

- b. Make direct payment to PGW (for application to tenant gas accounts) of net gas utility allowance payments ("Net UAP") for all scattered site public housing units that have gas service in the tenant's name, such payment to begin within 90 days after execution of the Agreement. PHA will provide monthly a list of all such scattered site units required to be enrolled in the cooperation program and the amount due for each, and will certify that such list is accurate and complete. PGW will retain the right to seek any balance due to PGW from its customer. 'Net UAP' is understood to mean the amount by which a tenant's Utility Allowance exceeds the portion of that tenant's income available to pay rent and utilities, according to HUD regulations; Net UAP represents a smaller amount than the full Utility Allowance. The Net UAP amount for scattered site units having gas accounts in tenants' names and not participating in the existing 'LS Program', together with
 - (1) any other payments that PHA may, at its sole option, elect to pay directly to PGW in the form of full or partial utility allowance amounts or Net UAP for other types of housing units that have gas service in the resident/tenant 's name and for which PHA provides for utility allowances (including, for example, Low Income Housing Tax Credit units and Housing Choice Voucher units, but excluding units in the existing 'LS Program') and
 - (2) any sums paid by PHA as a result of a transfer of a property's account to PHA for a Failure of Cooperation under paragraph 2a of this Term Sheet, shall total not less than Six Hundred Fifty Thousand Dollars (\$650,000) per year ("Minimum Payment").
- c. Make a good faith best effort (which does not prevent either party from giving reasonable consideration to its own interests) to identify and obtain required approvals and address any administrative burden and expense to provide direct payment to PGW of the entire gas Utility Allowance amount for tenant-paid gas-service units; there will be no firm commitment and no deadline to implement such payment program. The Agreement will list examples of such actions PHA will undertake. 'Utility Allowance' is understood to mean a tenant's estimated household utility expense calculated according to HUD regulations. Within 12 months of the execution of the Agreement, PHA will provide PGW with a written update regarding efforts taken by PHA in pursuit of such approvals and in addressing any such burden and expense issues.
- d. Provide PGW with a record of payments PHA believes were made to PGW as a result of the filing of PGW liens upon properties auctioned by PHA in 2011 and 2013.
- e. Not file legal action against PGW, the City or PFMC with respect to PGW liens, unless directed to do so by HUD; and make diligent effort to obtain reversal of any such HUD direction if PGW has released all liens and paid funds held by PGW arising from its liens in accordance with the Agreement; provided however that PGW and the City shall reserve all rights upon the filing of such legal action by PHA, including PGW's reinstatement of any liens removed or vacated under the Agreement which PGW contends is PGW's right to do, but PHA contends is not PGW's right to do.

3. PGW Undertakings:

- a. Within 30 days of the execution of the Agreement, vacate (to the satisfaction of title insurance companies) all liens against all PHA-owned properties (owned solely in PHA's name), including properties registered in the cooperation program and all properties sold or offered for sale by PHA in the past at auctions held in 2011 and 2013 (that were owned solely in PHA's name) and, if applicable, in connection with any future sales during the term of the Agreement. Liens discovered later will be vacated within 30 days after any written request by PHA to PGW to do so and this obligation shall survive the termination of the Agreement, but shall not survive the filing of any legal action as described in paragraph 2e hereof.
- b. Not file any liens against, or seek payment from the proceeds of any sale of, any PHA-owned property that is owned solely in PHA's name during the term of the Agreement.
- c. Reimburse PHA within 30 days from the date of execution of the Agreement the sum of all moneys that PGW has received as a result of PGW's liens upon PHA-owned properties (owned solely in PHA's name) sold in auction sales in 2011 and 2013 or as a result of PGW statements of amounts due in connection with PHA's auction sales in 2011 and 2013 of properties owned solely in PHA's name. PGW will provide an accounting of such sums that reconciles with PHA's records of payments (see 2d. hereof).
- d. At the request of PHA and upon certification that PHA holds an appropriate signed tenant consent on a form approved by PGW, no more frequently than once every 12 months per account requested, provide tenant consumption, expense and other account information in a mutually agreed format and schedule.

4. **Default and Termination:** PGW may terminate the Agreement and all obligations thereunder will terminate if PHA fails to register in the cooperation program all properties required to be registered (but not if such failure is due to any inaction by PGW); fails to timely pay the Net UAP amount; inaccurately states the Net UAP amount due; fails to timely pay any account transferred to PHA's name under the cooperation program; or files legal action with respect to PGW liens. PHA may terminate the Agreement if PGW fails to release liens, files new liens or fails to release segregated funds according to the Agreement. Termination rights are to be subject to notice and a 5-day cure period, except in the case of PHA filing legal action with respect to PGW liens and provided that the cure period for PHA's failure to timely pay any account transferred to PHA's name under the cooperation program shall not be deemed to impact or alter PGW's right under applicable law to terminate service for such payment failure. "Failure of Cooperation" means a failure by PHA to (a) schedule an access date, (b) provide access as scheduled, or (c) promptly remove an obstruction of access known to PHA, all as referenced in 2a above; failure of cooperation will not result in termination of the Agreement; rather it will result in a transfer to PHA of account liability as described in 2a above.

5. **Successors and Assigns:** The Agreement, including, notwithstanding anything to the contrary herein, the cooperation program, is to be binding upon successors and assigns until PGW has released or vacated all liens as described in the first sentence of 3a above and released all segregated funds as described in the last sentence of 3c above, or until earlier termination of the Agreement.