



PHILADELPHIA HOUSING AUTHORITY BOARD OF COMMISSIONERS MEETING MINUTES
Thursday, February 20, 2020, 3 p.m., at 2013 Ridge Ave., Philadelphia, PA 19121

The regularly scheduled meeting of the Philadelphia Housing Authority (“PHA”) Board of Commissioners was brought to order at approximately 3:10 p.m. by the Chair, Lynette Brown-Sow.¹ In attendance were all current Commissioners: the Chair, Vice-Chair Wetzel and Commissioners Callahan, Camarda, Coney, Mayo, Purnell, and Wise, as well as President & CEO (“CEO”) Kelvin A. Jeremiah and General Counsel and Board Secretary, Laurence M. Redican.

After opening the meeting, the Chair requested a moment of silence, to help prepare for the work to be done, and the CEO reviewed the public comment procedure, as done at every meeting, which included the following:

By Board Resolution, as well as common courtesy, please note that the following are specifically not allowed and anyone violating these requirements may be asked to leave the meeting and barred from participation in future Board meetings:

- 1) Defamatory, uncivil, harassing or rude comments;
- 2) Comments of a personal nature, directed at an individual by name or inference, that do not further the business of PHA;
- 3) Conduct such as booing, hissing, and/or cursing; and
- 4) Disruptive behavior.

The CEO then asked for a moment of silence, for the passing of George Upshur, Resident Council President of the Cassie L. Holley development.

Thereafter, the CEO made the following announcements:

- 1) PHA is one of five finalists for the highly competitive thirty million dollar (\$30,000,000.00) Choice Neighborhood Implementation Grant from the U.S. Department of Housing and Urban Development (“HUD”) for the Sharswood/Blumberg Community;
- 2) the Chair, Lynette Brown-Sow, was awarded a Living Legend award from the City Council earlier in the day;
- 3) Commissioner Camarda received an award from the Philadelphia Council of Clergy at the Martin Luther King "Honor the Dreamers" program, celebrating four Philadelphians committed to service that inspires hope;
- 4) PHA has received three hundred seventy thousand dollars (\$370,000.00) in renewed funding for its Family Self-Sufficiency program from HUD;

¹ Moments before the meeting was called to order, Jennifer Bennetch approached the podium, aggressively demanding answers from the Board on various issues and announcing that since the meeting had not yet been called to order, she couldn't be considered to be disrupting it.

- 5) the Pennsylvania Senate formally recognized PHA and Norris Phase II for winning one of the Commonwealth Awards presented by 10,000 Friends of Pennsylvania in November 2019;
- 6) PHA's Homeownership Opportunities Department successfully turned eighty (80) previous PHA renters into homeowners during 2019 to set an all-time sales record;
- 7) PHA and its private partner, the Jonathan Rose Companies, broke ground in mid-January for the Norris Phase V in the North Central neighborhood, to consist of one hundred thirty (133) newly—constructed mixed-income rental units and one commercial space; and
- 8) for the second consecutive year, PHA held a MLK Day of Service at the Lucien E. Blackwell Community Center in West Philadelphia, where an estimated two hundred (200) attendees had access to job and health information and books for adults and children.

The Employee of the Month award was presented by Jack Keshishian, from Operations, to Shirleen White, Maintenance Mechanic, for her outstanding commitment to her work, noting her machine knowledge, aptitude, and dedication to her equipment, all of which combine to make her the best operator at PHA. She received enthusiastic applause, a certificate and a check.

A short video was shown, highlighting the partnerships that PHA has, in order to increase opportunities for affordable homeownership, with Project Home, HACE, Liberty Resources, and NewCourtland. It was noted by the CEO that PHA has expended over one hundred sixty-two million dollars (\$162,000,000.00) with partners to build over two thousand five hundred (2,500) units of affordable housing.

Makeeda Holley, from the department of Resident Programs and Partnerships (“RPP”) presented the Resident Spotlight awards to the first cohort of eight PHA resident groundskeeper employees, who were selected as part of a new RPP program and process in the spring of 2019, then completed training, and started working full-time as PHA groundskeepers in September of 2019. They individually received certificates, checks, and congratulatory applause, with their supervisor also being recognized and congratulated.

The Chair inquired whether there were any corrections or amendments to the minutes of the last Board Meeting, which was held on December 19, 2019. Hearing none, the minutes were accepted as submitted.

Five resolutions were presented and unanimously approved.

Resolution 12080, attached in Appendix 1, was presented by Janea Jordon, Executive Vice President - Office of Audit and Compliance, to approve re-appointment of Chenora Burkett to the Audit Committee, whose two-year term began upon her appointment on February 15, 2018. Commissioner Purnell, as Chair of the Audit Committee, moved for its adoption. Following a second, Commissioner Purnell stated the committee had reviewed the resolution, appreciated Ms. Burkett’s valuable service as a well-qualified member of the Audit Committee, and recommended its adoption. There being no further discussion or public comment, for which an opportunity was provided (as it was for all the resolutions), the motion was unanimously approved.

Resolution 12081, attached in Appendix 1, was presented by Dave Walsh, Executive Vice President, Supply Chain Management (“EVP – SCM”), to authorize PHA to execute insurance contracts based on insurance quotations procured by Conner Strong & Buckelew under its existing contract with PHA. The

types of insurance to be procured include: General Liability; Public Officials and Employment Practices; Law Enforcement Liability; Employee Benefits Liability; Property; Boiler & Machinery; Fidelity and Crime; Fiduciary Liability; Auto Liability; Auto Physical Damage; Lead Liability; Mold Liability; Pesticide Liability; and Cyber Security and Liability, in a total amount not to exceed five million one hundred twenty thousand five hundred nineteen dollars (\$5,120,519.00). Commissioner Camarda, as a member of the Finance Committee to which the resolution had been sent for review, moved for its adoption. Following a second, Commissioner Camarda noted the committee recommended approval of the motion. There being no further discussion, the motion was unanimously approved.

Resolution 12082, attached in Appendix 1, was presented by Lopa P. Kolluri, Senior Executive Vice President and Chief Development and Operating Officer, to authorize PHA to negotiate, finalize, and submit various documents to HUD for approval, in order to provide operating subsidy to four (4) new public housing developments: 1) St. Rita's Place (46 units); 2) Project HOME 1301 N. 8th (40 units); 3) Mamie Nichols Townhomes (33 units); and 4) Inglis Methodist Gardens (47 units). Vice-Chair Wetzal, as Chair of the Policy and Planning Committee to which the resolution had been sent for review, moved for its adoption. Following a second, Vice-Chair Wetzal noted that the committee had reviewed the resolution, was pleased that PHA was able to add one hundred sixty-six (166) new units of affordable housing through it, and recommended its adoption. There being no further discussion, the motion was unanimously approved.

Resolution 12083, attached in Appendix 1, was presented by Dave Walsh, EVP – SCM, to authorize a one-year extension for PHA to continue the authorization granted since 2010 to enter into various contracts under state and federal cooperative purchasing agreements and other programs, as well as the quarterly Board reporting requirement. The authorization is for contract terms not to exceed five (5) years, for a total not-to-exceed aggregate amount of twenty-two million dollars (\$22,000,000.00). Commissioner Callahan, as Chair of the Finance Committee to which the resolution had been sent for review, moved for its adoption. Following a second, Commissioner Callahan inquired about the evaluation process for pricing under the contracts, to which Dave Walsh responded. There being no further discussion, the motion was unanimously approved.

Resolution 12084, attached in Appendix 1, was presented by Celeste C. Fields, Senior Executive Vice President/Chief Administrative & Financial Officer, to authorize the adoption of PHA's Fiscal Year 2021 Comprehensive Operating and Capital Budgets, which has projected both revenues and expenditures at four hundred seventy million one hundred five thousand nine hundred fifty-two dollars (\$470,105,952.00), for a balanced budget. A PowerPoint presentation was shown, which is attached as Appendix 2. Commissioner Callahan, as Chair of the Finance Committee to which the resolution had been sent for review, moved for its adoption. Following a second, Commissioner Callahan stated that members of the Finance Committee and others on the Board had reviewed the proposed budget at length and recommended its adoption. There being no further discussion, the motion was unanimously approved.

The meeting was then opened for **public comment** at approximately 3:50 p.m. The names of those who signed up for public comments and their topics are attached as Appendix 3. During her allotted time for public comment, Jennifer Bennetch, a regular attendee and commenter at PHA Board meetings, used obscene language, held up a sign that disrupted the view of those behind her, screamed out her comments, and refused to stop yelling out her complaints and demands when her comment time had ended.

The meeting ended at approximately 4:15 p.m.², following a motion from Commissioner Mayo to adjourn that was seconded and unanimously approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Laurence M. Redican". The signature is fluid and cursive, with a long horizontal stroke at the end.

Laurence M. Redican
General Counsel
Philadelphia Housing Authority

² Immediately after the meeting, Ms. Bennetch rushed at the Commissioners, physically aggressing and confronting them and the CEO, so as to warrant PHA police department (PHAPD) officer intervention before finally being physically led away (not by PHAPD).

APPENDIX 1

THE PHILADELPHIA HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS
2013 RIDGE AVE.
PHILADELPHIA, PA 19121
THURSDAY, FEBRUARY 20, 2020 at 3 p.m.
AGENDA

- A. **Call to Order** Lynette Brown-Sow, Chair
- B. **Remarks** Kelvin A. Jeremiah, President & CEO
- C. **Approval of the Minutes** of the Board Meeting held December 19, 2019, as distributed.
- D. **New Business**
1. **RESOLUTION RE-APPOINTING CHENORA BURKETT TO THE PHILADELPHIA HOUSING AUTHORITY AUDIT COMMITTEE AS AN INDEPENDENT MEMBER**

Janea Jordan
 2. **RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO EXECUTE INSURANCE CONTRACTS WITH VARIOUS INSURERS FOR A NUMBER OF TYPES OF INSURANCE**

Tom Callahan and Dave Walsh
 3. **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 FOUR NEW ANNUAL CONTRIBUTIONS CONTRACT ALTERNATIVELY-MANAGED ENTITY DEVELOPMENTS AND CLOSE THE TRANSACTIONS**

Lopa Kolluri
 4. **RESOLUTION TO CONCLUDE AND TO EXECUTE VARIOUS CONTRACTS UNDER FEDERAL AND STATE COOPERATIVE PURCHASING AND SIMILAR PROGRAMS**

Dave Walsh
 5. **RESOLUTION APPROVING THE FISCAL YEAR (FY) 2021 OPERATING AND CAPITAL BUDGETS**

Celeste Fields
- E. **Public Comment Period**

RESOLUTION NO. 12080

RESOLUTION RE-APPOINTING CHENORA BURKETT TO THE PHILADELPHIA HOUSING AUTHORITY AUDIT COMMITTEE AS AN INDEPENDENT MEMBER

WHEREAS, the Philadelphia Housing Authority (“PHA”) created an Audit Committee, by Resolution No. 11571 (“Audit Resolution”) on November 30, 2012, the charter of which was most recently amended by Resolution No. 11785 on May 21, 2015, which states as follows, with regard to membership:

Section II. Membership

The Committee shall consist of seven (7) members; five (5) voting members, and two (2) non-voting members, serving as advisors to the Committee. The Committee’s voting members shall elect the Committee’s Chair and Vice Chair. The Chair shall be a member of the Audit Committee who is also a member of PHA’s Board of Commissioners. At least four (4) independent members shall be selected from outside of PHA (PHA employees are excluded from being an independent member). PHA’s Executive Vice President (“EVP”) of the Office of Audit and Compliance and PHA’s Senior Executive Vice President of Finance - Chief Financial Officer shall comprise the remaining advisory members of the Committee.

Section III. Independent Members

The Board shall select the Independent Members, who shall serve for a two-year period that may be renewed by the Board from time to time.... the Board will attempt to select as an Independent Member a person who meets the definition of an “audit committee financial expert” with the following attributes:

- An understanding of financial statements and generally accepted accounting principles.
- An ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves.
- Experience in preparing, auditing, analyzing or evaluating financial statements that present a level of complexity of accounting issues generally comparable to what could be raised by PHA’s financial statements or experience actively supervising one or more persons engaged in such activities.
- An understanding of internal controls and procedures for financial reporting.
- An understanding of audit committee functions.
- An understanding of public housing programs, including federal, state and local public housing rules, regulations, budget and finance.

WHEREAS, Chenora Burkett was appointed to the Audit Committee by the Board of Commissioners for a (2) two-year term as an independent member, by Resolution No. 11976, on February 15, 2018, and has faithfully served as a well-qualified member of the committee since that date; and

WHEREAS, the Audit Committee recommends her reappointment;

BE IT RESOLVED, that the PHA Board of Commissioners does hereby approve and consent to the re-appointment of Chenora Burkett as an independent member of PHA’s Audit Committee, pursuant to the terms and conditions of the Audit Charter.

I hereby certify that this was
APPROVED BY THE BOARD ON 2/20/2020
Sam M. Kedic
ATTORNEY FOR PHA

RESOLUTION NO. 12081

RESOLUTION AUTHORIZING THE PHILADELPHIA HOUSING AUTHORITY TO EXECUTE INSURANCE CONTRACTS WITH VARIOUS INSURERS FOR A NUMBER OF TYPES OF INSURANCE

WHEREAS, the Philadelphia Housing Authority (“PHA”) has a continuing need for General Liability insurance; Public Officials and Employment Practices insurance; Law Enforcement Liability insurance; Employee Benefits Liability insurance; Property insurance; Boiler & Machinery insurance; Fidelity & Crime insurance, Fiduciary Liability insurance; Automobile Liability insurance; Automobile Physical Damage insurance; Lead Liability insurance; Mold Liability insurance; Pesticide Liability insurance; Cyber Security and Liability insurance; and such policies deemed necessary by the President & CEO; and

WHEREAS, PHA entered into a contract with Conner Strong & Buckelew (“Conner Strong”) on November 29, 2017, for the provision of qualified professional insurance brokerage and consulting services; and

WHEREAS, at PHA’s request, Conner Strong has solicited insurance quotations from various insurers; and

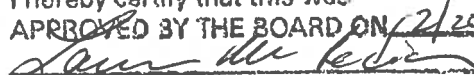
WHEREAS, based on Conner Strong’s recommendations, PHA reviewed and selected the policies and actions set forth on the attachment to this resolution, as providing appropriate coverage and being in the best interest of PHA; and

WHEREAS, each insurance policy has a deductible and PHA is required to pay up to the amount of the deductible for each claim on the policy and such deductible payments are not included in the premium amounts set forth herein; and

WHEREAS, it is recommended that the insurance contracts as set forth on the attachment to this resolution, be acquired with the total premium amount not to exceed five million one hundred twenty thousand five hundred nineteen dollars (\$5,120,519.00);

BE IT RESOLVED, that the President & CEO or his authorized designee is hereby authorized to execute insurance contracts with various insurers, as procured by Conner Strong, for General Liability insurance; Public Officials & Employment Practices insurance; Law Enforcement Liability insurance; Employee Benefits Liability insurance; Property insurance; Boiler & Machinery insurance; Fidelity & Crime insurance; Fiduciary Liability insurance; Automobile Liability insurance; Automobile Physical Damage Insurance; Lead Liability insurance; Mold Liability insurance; Pesticide Liability insurance and Cyber Security and Liability insurance, as set forth in the attachment to this resolution, in a total amount not to exceed five million one hundred twenty thousand five hundred nineteen dollars (\$5,120,519.00), and to expend any amounts required to be paid as deductibles and fees under the policies, subject to availability of funds therefor, as set forth above, and to take all necessary actions relating to such contracts.



I hereby certify that this was
APPROVED BY THE BOARD ON 2/20/2020

ATTORNEY FOR PHA

ATTACHMENT TO RESOLUTION REGARDING INSURANCE CONTRACTS

COVERAGE	INSURER	LIMIT	DEDUCTIBLE	2020 PREMIUM
Commercial Property	HAPI	\$100,000,000	\$50,000	\$1,812,802
Boiler & Machinery	Hartford Steam Boiler	\$50,000,000	\$10,000	\$36,622
General Liability	HARRG	\$15,000,000	\$50,000	\$963,984
Mold	HARRG	\$500,000	\$50,000	\$81,389
Pesticide	HARRG	\$1,000,000	\$25,000	\$4,015
Public Officials	HARRG	\$2,000,000	\$50,000	\$178,144
Employment Practices	HARRG	\$2,000,000	\$50,000	\$719,010
Law Enforcement	HARRG	\$1,000,000	\$25,000	\$48,457
Employees Benefits	HARRG	\$1,000,000	\$25,000	\$20,000
Fidelity & Crime	Travelers	\$2,000,000	\$100,000	\$30,000
Fiduciary	Euclid	\$15,000,000	\$25,000	\$46,353
Auto Liability	HARRG	\$2,000,000	\$0	\$677,700
Auto Physical Damage	Travelers	Actual Cash Value	\$1,000	\$354,353
Lead Liability	Crum & Forster	\$5,000,000	\$50,000	\$112,742
Cyber Security	National Union	\$3,000,000*	\$25,000	\$34,948
TOTAL				\$5,120,519

*The Cyber limit will be increased from \$2,000,000 to \$3,000,000 under this resolution.

Note: Conner Strong & Buckelew is the broker for all of the above policies. Premium payments are made to Conner Strong for the Fidelity & Crime, Fiduciary, Lead and Cyber insurance policies.

RESOLUTION NO. 12082

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 FOUR NEW ANNUAL CONTRIBUTIONS CONTRACT ALTERNATIVELY-MANAGED ENTITY DEVELOPMENTS AND CLOSE THE TRANSACTIONS

WHEREAS, in 2013, the Philadelphia Housing Authority ("PHA") initiated its "6 in 5" Program, with the goal of adding six thousand (6,000) new units of affordable housing in a 5-year period and PHA desires to increase the number of affordable housing units in the City of Philadelphia through public-private partnerships; and

WHEREAS, PHA annually issues an Annual Contributions Contract ("ACC") Operating Subsidy Only Request for Proposals ("RFP") and makes initial operating subsidy commitments to projects that typically then apply for an award of 9% low-income housing tax credits ("LIHTC") from the Pennsylvania Housing Finance Agency ("PHFA") in order to obtain the funding necessary to make the project financially viable; and

WHEREAS, the ACC Operating Subsidy Only RFP is substantially the same from year to year and PHA's initial awards to projects are valid for a period of three (3) years, as long as the projects remain substantially the same, in order to allow for the project sponsor to resubmit the project to PHFA for consideration in subsequent years, if not approved in its first or second submission; and

WHEREAS, each of the four (4) projects proposed for approval (collectively, the "Developments") has received a 9% LIHTC allocation from PHFA in 2019; has submitted documentation to demonstrate financial feasibility; expects to begin construction by the end of 2020; was approved by the PHA RFP Review Committee in the years set forth below; and is within three (3) years of its initial award: St. Rita Place (P-004731- 2017), Mamie Nichols Townhomes (P-004731- 2017), 1301 North 8th Street (P-004806- 2018), and Inglis Methodist Gardens (P-004731- 2017); and

WHEREAS, based upon the consensus evaluation of the Review Committee and approval for presentation to the Board after additional review processes, including Board committee and resident leadership review, it is recommended that each of the Developments receive an ACC operating subsidy for new housing developments in an amount not to exceed five hundred (\$500.00) dollars, per unit, per month (the "Operating Subsidy Amount"); to create one hundred sixty-six (166) new units in total: 1) St. Rita's Place (46 units); 2) Project HOME 1301 N. 8th (40 units); 3) Mamie Nichols Townhomes (33 units); and 4) Inglis Methodist Gardens (47 units); and

WHEREAS, the yearly operating subsidy to be provided by PHA for the one hundred sixty-six (166) new units that the Developments will create will be in an amount not to exceed one million five hundred seventy-eight thousand dollars (\$1,578,000.00);

BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to: 1) submit certain evidentiaries to the U.S. Department of Housing and Urban Development ("HUD"), then enter into an Operating Subsidy Only Mixed-Finance Amendment to the Consolidated ACC, a Declaration of Restrictive Covenants, a Regulatory and Operating Agreement and such other ancillary documents as may be required to close the transaction (collectively referred to herein as the "Closing Documents"); negotiate, finalize and submit the Closing Documents to HUD for approval; 2) execute, deliver and perform the obligations under such Closing Documents once finalized and approved by HUD; 3) obtain or facilitate all other government approvals; and 4) take all actions necessary or desirable to effectuate this resolution and provide the operating subsidy to the Developments, subject to the availability of funding therefor.

I hereby certify that this was
APPROVED BY THE BOARD ON 2/20/2020
Sam M. Fedor
ATTORNEY FOR PHA

RESOLUTION NO. 12083

RESOLUTION TO CONCLUDE AND TO EXECUTE VARIOUS CONTRACTS UNDER FEDERAL AND STATE COOPERATIVE PURCHASING AND SIMILAR PROGRAMS

WHEREAS, the Philadelphia Housing Authority ("PHA") has passed nine resolutions since November of 2010 that have continuously allowed PHA to benefit by entering into contracts with various governmental and private entities for the full range of goods and services available under Federal and State Cooperative purchasing and similar programs, in aggregate amounts ranging from approximately thirty million dollars (\$30,000,000.00) to twenty million dollars (\$20,000,000.00), with the most recent one being Resolution No. 12038 approved on March 21, 2019, for twenty-three million dollars (\$23,000,000.00); and

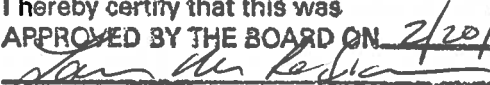
WHEREAS, as noted in those resolutions, under certain circumstances, PHA is allowed to acquire and lease goods and services using the Federal Supply Schedules maintained by the U.S. General Services Administration, which are also referred to as the "GSA Schedules" and Multiple Award Schedules, and to acquire and lease goods and services using the Commonwealth of Pennsylvania's cooperative purchasing program administered by the Department of General Services Bureau of Procurement, also referred to as "COSTARS," and other government procurement collectives; and

WHEREAS, such Federal and State cooperative purchasing and similar programs offer competitively obtained and standardized prices, terms and conditions, enable acquisitions to be effected on a streamlined basis, and are consistent with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards applicable to procurement by public housing authorities (2 C.F.R. §200.318 (e)), under which public housing authorities are encouraged to enter into such agreements "[t]o foster greater economy and efficiency [and] to promote cost-effective use of shared services across the Federal government;" and the Pennsylvania Commonwealth Procurement Code, Act 57 of 1998, as amended, authorizes PHA to engage in cooperative purchasing with the Commonwealth through the use of statewide contracts and the COSTARS system; and

WHEREAS, Board Resolution No. 12038, adopted on March 21, 2019, provided one-year authorization for PHA to enter into such purchasing contracts under Federal, State or City cooperative purchase agreements, for terms not to exceed five (5) years and in an aggregate amount not to exceed twenty-three million dollars (\$23,000,000.00); and

WHEREAS, PHA wishes to extend such authorization for another one-year period, from March 31, 2020 through March 31, 2021, with contract terms entered into pursuant to such extension not to exceed five (5) years, in a total aggregate annual amount not to exceed twenty-two million dollars (\$22,000,000.00); and to continue the best practice of providing a quarterly report to the PHA Board of Commissioners as to all contracts entered into pursuant to this resolution where the base contract amount or any option exceeds one hundred thousand dollars (\$100,000.00), although this resolution would provide the requisite pre-approval for such contracting under Control Policy and Procedure #10, as amended;

BE IT RESOLVED, that the President & CEO or his authorized designee is authorized to take all actions necessary to enter into contracts, for terms not-to-exceed five (5) years, under the Federal and State cooperative purchasing and similar programs, for a one-year period, from March 31, 2020 through March 31, 2021, in a total aggregate amount not to exceed twenty-two million dollars (\$22,000,000.00), subject to the availability of funds therefor, and PHA shall provide a quarterly report to the Board of Commissioners as to all contracts entered into pursuant to this resolution where the base contract amount or any option exceeds one hundred thousand dollars (\$100,000.00).

I hereby certify that this was
APPROVED BY THE BOARD ON 2/20/2020

ATTORNEY FOR PHA

RESOLUTION NO. 12084

**RESOLUTION APPROVING THE FISCAL YEAR
(FY) 2021 OPERATING AND CAPITAL BUDGETS**

WHEREAS, the Philadelphia Housing Authority (“PHA”) Board of Commissioners approved and adopted Resolution No.11525, dated April 26, 2012, which authorized the implementation of the PHA Budget Policies and Procedures Manual; and

WHEREAS, the PHA Budget Policies and Procedures Manual outlines the policies, procedures and practices required to produce the PHA’s Annual Operating and Capital Budgets and to assure consistency, accuracy, and tracking of PHA’s allocation of resources; and

WHEREAS, PHA has developed balanced FY 2021 Operating and Capital Budgets for the Low-Income Public Housing (“LIPH”), Housing Choice Vouchers (“HCV”) and the Capital Fund (“CFP”) Program; and

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) requires a certification from the Chair of the Board of Commissioners: as to the Board’s approval of the budget; that all statutory and regulatory requirements have been met; and that the proposed budget expenditures are necessary in the efficient and economical operation of the housing programs and services provided for low-income residents; and

WHEREAS, the Charter of the Finance Committee, as adopted by the Philadelphia Housing Authority (“PHA”) Board of Commissioners on May 21, 2015, by Resolution No. 11777, states that the Committee’s responsibilities include the following: “Review the financial aspects of major proposed transactions, new programs and services, as well as proposals to discontinue programs or services, and make action recommendations to the Board, as appropriate; monitor the financial performance of PHA as a whole against approved budgets, long-term trends, and industry benchmarks; and require and monitor corrective actions to bring the organization into compliance with its budget and other financial targets;” and

WHEREAS, the Finance Committee has reviewed and approved the FY 2021 Operating and Capital Budgets, in substantially the form presented at the Board meeting of February 20, 2020, previously presented to the Board, and to be attached to the minutes of this Board meeting; and

WHEREAS, PHA certifies that all statutory and regulatory requirements have been met; and the proposed budget expenditures are necessary in the efficient and economical operation of the housing programs and services provided for low-income residents;

BE IT RESOLVED that the PHA Board of Commissioners hereby approves the FY 2021 Operating and Capital Budgets, in substantially the form presented at the Board meeting of February 20, 2020, previously presented to the Board, and to be attached to the minutes of that Board meeting, and authorizes the Chair of the Board of Commissioners to complete and submit to HUD any required certification as to Board approval of the FY 2021 budget, as well as any previously Board-approved budgets from the past two (2) years.

I hereby certify that this was
APPROVED BY THE BOARD ON 2/20/2020
[Signature]
ATTORNEY FOR PHA

APPENDIX 2

FISCAL YEAR 2021 COMPREHENSIVE BUDGET

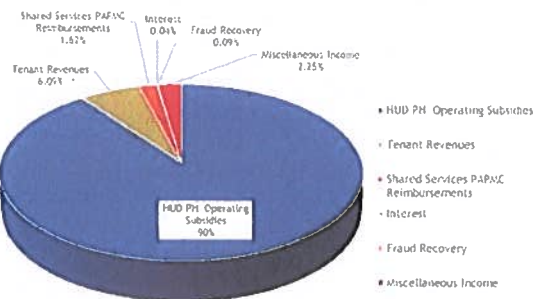


April 1, 2020 - March 31, 2021

Administration and Finance

Kelvin A. Jeremiah, President & CEO
Celeste C. Fields, Chief Administrative & Financial Officer
Kevin B. Shields, Director of Budget

Overview



- ▶ The Philadelphia Housing Authority (PHA) provides affordable housing for more than 32,000 low-income households, including seniors, people with disabilities and families with children. More than 90% of households served by PHA qualify as "extremely low-income", with household incomes less than 30% of Area Median Income.

PHA's two primary housing programs are Public Housing and the Housing Choice Voucher (HCV) Program. PHA relies on the US Department of Housing and Urban Development (HUD) to fund these programs.

More than 90% of PHA's funding is from annual Congressional appropriations to three HUD funding sources:

1. Public Housing Operating Fund,
2. Public Housing Capital Fund; and
3. HCV Housing Assistance Payments Fund.

Budget Presentation

- ❑ The FY 2021 Comprehensive Budget is presented in a Sources and Uses format. Depreciation and amortization are not included in this presentation. As a result, the financial information presented in this Budget is not intended to comply with Generally Accepted Accounting Principles.
- ❑ To provide meaningful comparisons to the FY 2021 budget, figures from the approved FY 2020 Board Approved Budget are included in the Summary Budget Overview Schedules.

Budget Highlights FY 2021

Total Combined Sources and Uses of funds of \$470.1 million, which, PHA anticipates a 3.42% increase over the FY 2020 budget.

Major Spending Components of the FY 2021 Budget:

\$179.0 million for Housing Assistance payments through the MTW Housing Choice Voucher (HCV) program.

\$108.7 million for salaries and benefits, a 3.47% increase over FY 2020.

\$19.2 million for Administrative Expenses.

\$23.4 million for Utility Expenses, which is \$2.6 million increase over FY 2020.

\$14.1 million Insurance Expenses for FY 2021.

\$58.9 million in Capital Improvements, New Development, RAD and Energy Performance measurements for FY 2021.

Budget Assumptions

PHA receives over 90% of its funding from HUD. All funding is based on estimates of the last three fiscal years. This budget has been developed based on new FY 2021 commitments and assumptions approved by the President & CEO.



92% proration for the Public Housing (PH) Operating Fund Program



99% proration for the Housing Choice Voucher Program (HCV)



79% proration for Administrative Fees Earned



Capital funds are based off the 2019 actual Capital funds appropriated



Cost of living increases are set at 3% for non-represented

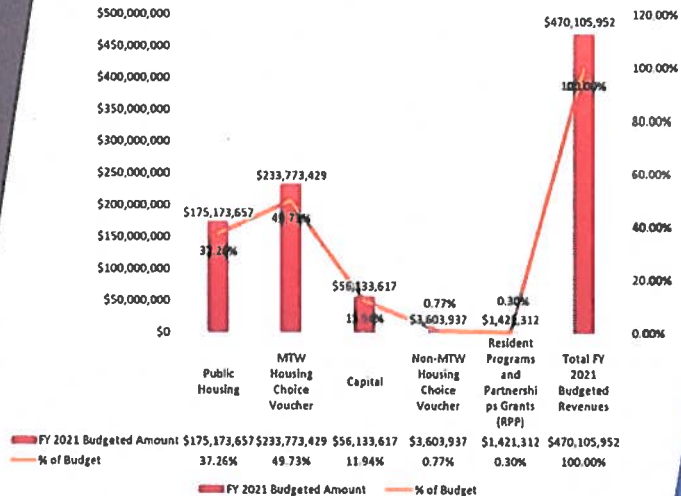
FY 2021 Budget Overview

PHA is committed to transparency and providing detailed financial information to residents, the board, elected officials and all stakeholders with an interest in Public Housing. This Budget and Financial Plan provides detailed information about Operating and Capital Budgets.

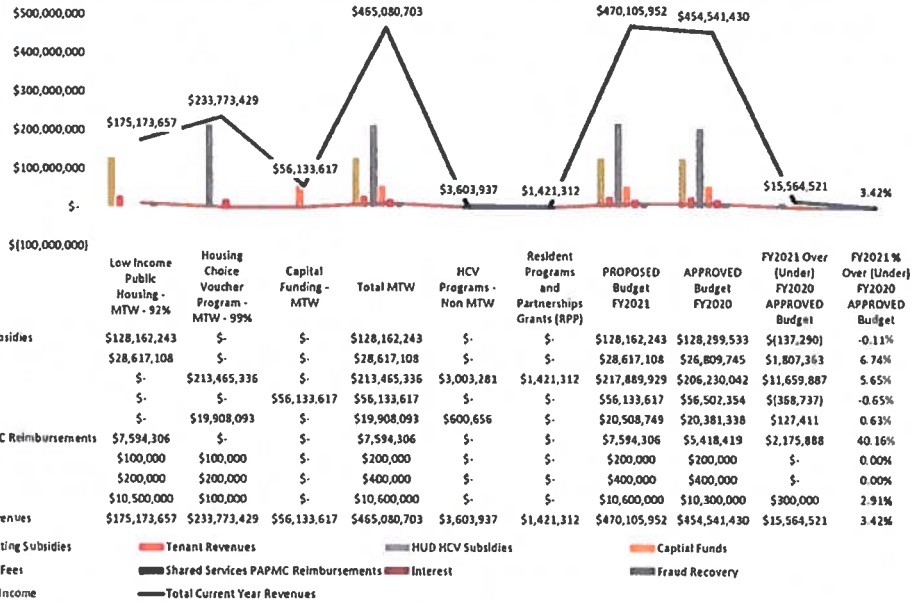
PHA's FY 2021 budget is \$470.1 million which consists of the following revenue components:

Low Rent Public Housing Program	\$175.1 million
MTW Housing Choice Voucher Program	\$233.8 million
Capital Fund Grant	\$ 56.1 million
Non-MTW HCV Program	\$ 3.6 million
Resident Programs and Partnerships	\$ 1.4 million

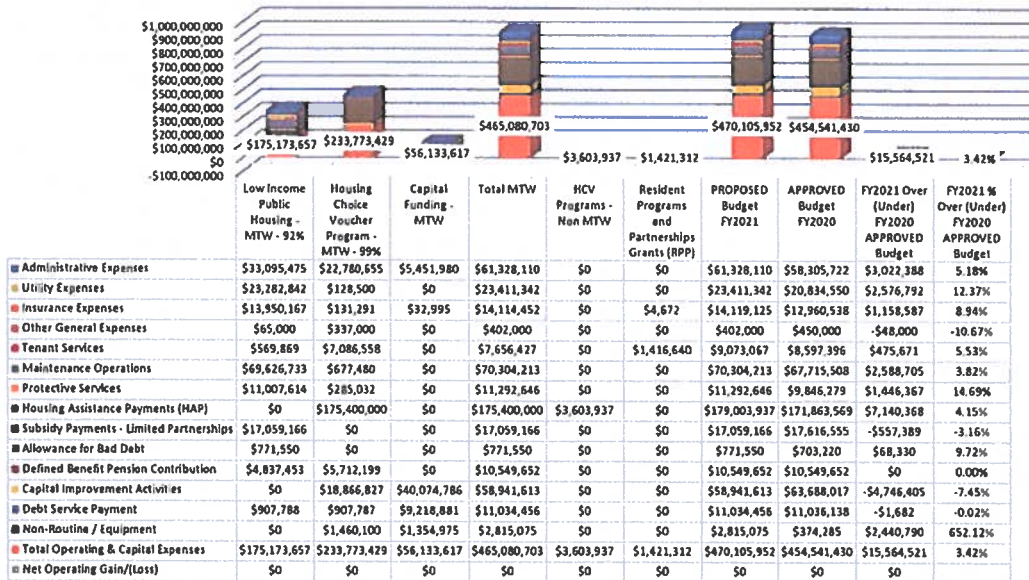
FY 2021 Budgeted Program Revenues



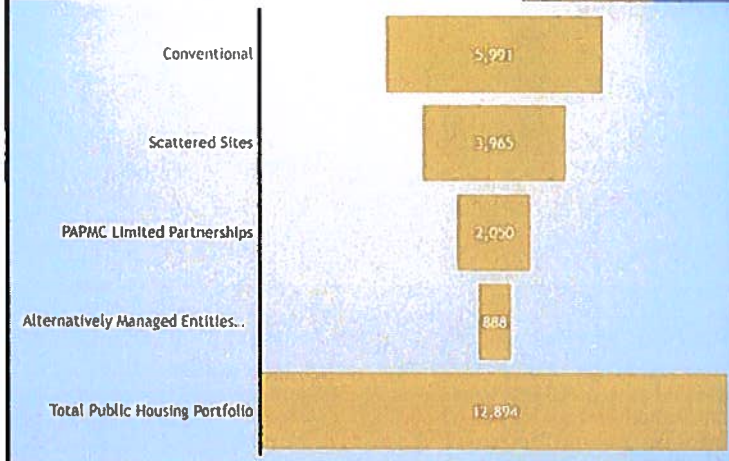
FY 2021 Combined Comprehensive Budget - SOURCES



FY 2021 Combined Comprehensive Budget - USES



FY 2021 Uses - MTW Low Income Public Housing Program



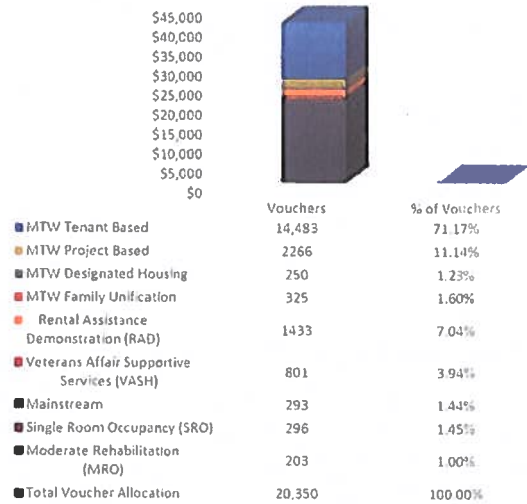
PHA's Low Income Housing portfolio consist of approximately 13,000 units of affordable housing throughout the City of Philadelphia. This includes approximately 3,000 low income tax credit partnerships, in which PHA manages over 2,000 units and 900 are alternatively managed. PHA expects to add 299 tax credits units to our portfolio in FY 2021.

Operating and Capital Revenues are budgeted at a combined total of \$231.3 million and represents 49.2% of the total budget. PHA provides subsidies to LIHTC partners totaling \$17.1 million.

FY 2021 Uses - Housing Choice Voucher Program

PHA's Housing Choice Voucher program administers rental subsidies under the Housing Choice Voucher (HCV) program for low-income households who live in privately-owned housing. Vouchers are utilized to provide both tenant-based and project-based assistance (including RAD developments). Under the Voucher Program, PHA also supports family self sufficiency and home ownership programs. Fiscal Year 2021's Operating Budget totals \$237.4 million and represents 50.5% of the total Comprehensive Budget.

FY 2021 Leased Housing Voucher Allocations



FY 2021 Uses - Resident Programs and Partnerships Program (RPP)

Our Resident Programs and Partnerships offers our residents a wide variety of training, services and programs to help them gain valuable skills and achieve self-sufficiency.

PHA opened the Vaux Community Building, which houses the Workforce Development Center, Homeownership and Self-Sufficiency programs, health services and high-school. PHA is also preparing to open a new Section 3 Resource Center in FY 2021 and plans to establish a PhillySEEDS Endowment Fund for future scholarship recipients. Outside of the \$7.7 million budget from PHA's MTW program, PHA receives in-kind services to residents through partnerships and funding through grants totaling approximately \$1.4 million for FY 2021 which consist of:

- ROSS Family Self Sufficiency (FSS)
- ROSS Self Sufficiency
- Jobs Plus

Project Type	Project Description	Total Project Cost	TOTAL - Non PHA Funding Sources	PHA Portion	FY 2021 Allocations
Capital Improvements	Boiler Repairs	\$450,000	\$0	\$450,000	\$450,000
	S04 Site Modifications / Fair Htg	\$1,045,000	\$0	\$1,045,000	\$1,045,000
	Carpentry	\$400,000	\$0	\$400,000	\$400,000
	Heating Upgrades	\$100,000	\$0	\$100,000	\$100,000
	Relocation - Harrison Plaza, West Park Apts & Fairhill Apts	\$3,000,000	\$0	\$3,000,000	\$3,000,000
	Roof Repairs / Replacement	\$1,475,309	\$0	\$1,475,309	\$1,475,309
	Scattered Site Demolition	\$823,000	\$0	\$823,000	\$823,000
	Sitework - Concrete Repairs	\$600,000	\$0	\$600,000	\$600,000
	Sitework - Painting	\$200,000	\$0	\$200,000	\$200,000
	Sitework - Playground Replacement	\$260,000	\$0	\$260,000	\$260,000
	Sitework - Tree Removal	\$45,000	\$0	\$45,000	\$45,000
	Sitework - Window Replacement	\$100,000	\$0	\$100,000	\$100,000
	Capital Improvements Total		\$8,458,309	\$0	\$8,458,309
Energy Performance	EPC PHASE III FY 2021	\$3,923,812	\$0	\$3,923,812	\$3,923,812
Energy Performance Total		\$3,923,812	\$0	\$3,923,812	\$3,923,812
Modernization	Scattered Sites - Substantial Rehabilitation	\$6,000,000	\$0	\$6,000,000	\$6,000,000
Modernization Total		\$6,000,000	\$0	\$6,000,000	\$6,000,000
Rental Assistance Demonstration (RAD)	27th & Susquehanna	\$23,380,334	\$16,880,334	\$6,500,000	\$6,500,000
	Gordon Extension - Strawberry Mansion Phase II	\$13,860,610	\$14,616,609	\$9,250,000	\$3,880,151
	Harrison Street	\$24,560,000	\$20,650,000	\$3,850,000	\$3,850,000
	Harrison Senior Tower - RAD	\$47,966,296	\$29,111,076	\$18,855,220	\$10,649,535
	HUNT Phase II	\$23,501,494	\$19,264,188	\$4,237,306	\$4,237,306
	Raymolds School	\$15,000,000	\$23,500,000	\$1,500,000	\$1,500,000
	North Central CHI Phase V	\$54,934,366	\$45,331,866	\$9,602,500	\$9,602,500
	Queen Lane Apartments LP	\$100,000	\$0	\$100,000	\$100,000
	Queen's Row	\$100,000	\$0	\$100,000	\$100,000
	Norris LP Conversion	\$100,000	\$0	\$100,000	\$100,000
Rental Assistance Demonstration (RAD) Total		\$223,633,100	\$189,248,079	\$54,385,027	\$46,319,498
Grand Total		\$241,885,221	\$189,248,079	\$52,317,148	\$56,941,813

FY 2021 Uses - MTW Capital Fund Program

Capital Improvements

Includes work items that address immediate capital needs which address one or more of the following: a) Exposed health and safety needs, b) Replacement or repairs to systems and/or system components that have reached the end of their useful life cycle, and/or, c) Work items projected to result in significant operating cost savings that the proposed work items address only a small portion of the estimated \$1 billion backlog of deferred capital needs.

Energy Conservation Measures (ECM)

Includes a range of work items that are projected to reduce energy consumption and (for the most part) generate a large range of life cycle savings at PHA. In general, based on internal review of the JCI deliverables, our recommendation is to self-finance ECM activities, in lieu of implementing a more complex and expensive EPC. The Plan includes a subset of work items identified through the JCI assessment, which will be managed by either PHA in-house staff or JCI and incorporating resident living opportunities.

Modernization

Includes repair work for scattered site units requiring both repair and anticipated turnover work over the four-year period.

New Development

Includes ongoing and proposed new development projects including those related to the Duquesne/Lumbard Transformation Plan, the North Central/Morris Transformation Plan, RAD transfer of assistance sites, PHA's new Headquarters and various other priority neighborhood revitalization projects that are in the planning stages.

Rental Assistance Demonstration (RAD)

Consists of public-private partnerships for planned RAD development at existing PHA ownership, public, and AMI sites.

APPENDIX 3

**FEBRUARY 2020 SIGN-UP SHEET FOR THE
GENERAL PUBLIC COMMENT PERIOD**

AT THE END OF THE BOARD MEETING

For Maintenance or Individual Housing Issues –

Please proceed to the Specific Tables Set Up for Those Issues

(3 minutes per person)

Under the PHA Board Meeting Conduct Policy, Resolution No. 11502,
the following behavior is not allowed: defamatory, uncivil, harassing or
rude comments; conduct such as booing, hissing, and/or cursing; and
disruptive behavior.

Failure to respect this policy may result in your being asked to leave the meeting.

Please: 1) *PRINT* your name, 2) state your TOPIC, and 3) INITIAL to acknowledge
the PHA Board conduct policy, as summarized above.

Name: Sheila Armstrong ✓
Topic: Shooting @ Harrison Plaza
I hereby acknowledge the Board Conduct Policy: _____

Name: Jennifer Bennett ✓
Topic: PHAPD - Sales of housing/ Shootings
I hereby acknowledge the Board Conduct Policy: _____

Name: Cynthia Young-Nixon ✓
Topic: Meeting needs to brought to County's
I hereby acknowledge the Board Conduct Policy: _____

Name: Kimberly Peterkin ✓
Topic: Corruption of Management, Displacement,
etc.
I hereby acknowledge the Board Conduct Policy: _____

Name: Janice Mann ✓
Topic: Housing Issues, Dishonest
I hereby acknowledge the Board Conduct Policy: _____