

### PHILADELPHIA HOUSING AUTHORITY BOARD OF COMMISSIONERS MEETING MINUTES Thursday, January 15, 2015, 3 p.m., at 12 S. 23rd St., Philadelphia, PA 19103

The regular 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. Vice Chair Wetzel and Commissioners Camarda, Danzy, and Wise were in attendance, as well as President & CEO, Kelvin Jeremiah ("CEO Jeremiah") and Board Secretary and General Counsel, Barbara Adams.

The Chair began the meeting by sharing the sad news that Commissioner Joan Markman passed away yesterday. The valuable contributions made by Commissioner Markman during her tenure on the Board were set forth in a Proclamation, which was read by the Chair and signed by the Chair and CEO Jeremiah (attached hereto as Appendix 1). After a moment of silence, the Chair provided information as to the memorial service to be held for Commissioner Markman, who was respected as both a colleague and friend to the Commissioners and PHA staff and who will be very missed.

The Chair noted that an executive session had been held just prior to the meeting, at approximately 2:00 p.m., for the purpose of discussing litigation and matters confidential by law.

CEO Jeremiah reviewed the procedure for public comment at the Board meeting and made the following announcements: 1) a Community Partners Program Fair was held at the John F. Street Center this afternoon, as part of PHA's ongoing efforts to provide information to its residents about PHA's many programs, including education, job training, and homeownership; and 2) for the Martin Luther King, Jr. Day of Service, on January 19, 2015, PHA invites participation in its resident activities, which include a book drive at the John F. Street Center, a coat and clothing drive organized by the Blumberg Resident Council, and a clean-up day at West Park Apartments.

As part of the monthly Resident Spotlight, highlighting a PHA resident who has been able to excel with help from PHA's resident services programs, CEO Jeremiah recognized Earl Jefferson, who recently completed PHA's Commercial Driver's License Job Training Program with Smith and Solomon He has received his CDL, as well as his passenger license, and is now employed with MV Transportation. Mr. Earl was unable to attend, as he was working, but received a round of applause.

The Chair then inquired whether there were any corrections or amendments to the minutes of the Board meeting of December 18, 2014. Hearing none, the minutes were accepted as submitted.

Four resolutions were presented, all of which were unanimously approved.

Resolution 11755, attached in Appendix 2, was presented by Dave Walsh, Executive Vice President- Supply Chain Management ("EVP-SCM"), to authorize PHA to amend its current contract with Sovereign Security, LLC, to cover costs resulting from additional security requirements and costs, in the amount of one hundred seventy-five thousand dollars (\$175,000.00). Commissioner Wise, as a member of the Resident Services Committee that reviewed the resolution, moved for its approval. The motion was seconded and Commissioner Wise noted that the Resident Services Committee recommended approval of the resolution. Following the opportunity for public comment, of which there was none, and there being no further discussion, the resolution was unanimously approved.

Resolution 11756, attached in Appendix 2, was presented by Dave Walsh, EVP-SCM, to authorize PHA to contract for small general contractor services for maintenance-related work with DKJ Construction, Inc.; W & W Contractors, Inc.; Vellniece Construction, LLC; Holder Inc., T/A Donovan Electric Supply and Construction; Nesmith and Company, Inc.; Morgan Construction Management, LLC; and Townes Mechanical Contractors, Inc. Vice-Chair Wetzel, as a member of the Finance Committee that reviewed the resolution, moved for its approval. The motion was seconded and Vice-Chair Wetzel noted that the reviewing Committee recommended approval of the resolution. Following the opportunity for public comment, of which there was none, and there being no further discussion, the resolution was unanimously approved.

Resolution 11757, attached in Appendix 2, was presented by Clare Ann Fitzgerald, Deputy General Counsel - Office of General Counsel, to authorize PHA to contribute an amount not to exceed ninety-nine thousand nine hundred ninety-nine dollars (\$99,999.00) to settle employment litigation on behalf of PHA and to take all other action necessary to conclude the settlement and dismissal of the case, including executing the settlement agreement. Vice-Chair Wetzel, as a member of the Finance Committee that reviewed the resolution, moved for its approval. The motion was seconded and Vice-Chair Wetzel noted that the reviewing Committee recommended approval of the resolution. Following the opportunity for public comment, of which there was none, and there being no further discussion, the resolution was unanimously approved.

Resolution 11758 attached in Appendix 2, was presented by Erik Soliván, Vice President - Policy Research and Enterprise Planning, to adopt a Policy for Leasing of Commercial Space that establishes requirements and criteria for PHA to apply in entering into agreements for the lease of PHA-owned commercial spaces; permits PHA to lease such spaces pursuant to the Policy; and requires PHA to report annually to the Board as to the status of such leases. Vice-Chair Wetzel, as a member of the Finance Committee that reviewed the resolution, moved for its approval. The motion was seconded and Vice-Chair Wetzel noted that the reviewing Committee recommended approval of the resolution. Following the opportunity for public comment, of which there was none, and there being no further discussion, the resolution was unanimously approved.

The public comment period was then held, beginning at 3:25 p.m., after which the Chair adjourned the meeting at approximately 3:35 p.m.

A sign-up sheet with the names of members of the public who spoke in the general comment period, with a designation of the topic, is attached as Appendix 3.

Respectfully submitted,

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Barbara Adams Secretary

Philadelphia Housing Authority

## **APPENDIX 1**

### PROCLAMATION FOR COMMISSIONER

# Joan Markman

January 15, 2015

The Philadelphia Housing Authority ("PHA") wishes to recognize the exemplary service of Commissioner Joan Markman on its Board of Commissioners, from April 26, 2013 until her passing from this life, on January 14, 2015.

WHEREAS, Commissioner Joan Markman began her tenure with the PHA Board of Commissioners on April 26, 2013, as part of the nine (9) member Board created as of that date; and

WHEREAS, Commissioner Markman served on the Policy and Planning Committee, the Strategic Directions Steering Committee, the Audit Committee, and chaired the Nominating Committee; and

WHEREAS, although Commissioner Markman resigned from her employment in January of 2013, due to health issues, she continued her valuable and engaged service on the PHA Board; and

WHEREAS, Commissioner Markman's service to PHA was notable for her attention to detail, thoroughness, honesty, fairness, and, while being outspoken, always considering multiple viewpoints in constructively working to achieve the best outcomes for PHA and its residents; and

WHEREAS, Commissioner Markman earned the respect of her Board of Commissioners colleagues, PHA staff, and resident leadership during her tenure as a Commissioner and was also esteemed as a friend by many at PHA, so that her loss will be acutely felt in personal and professional capacities;

NOW, THEREFORE, BE IT PROCLAIMED, that the Philadelphia Housing Authority hereby acknowledges, with deep and heartfelt appreciation and gratitude, the dedicated and exemplary service provided by Commissioner Joan Markman on its Board of Commissioners, from April 26, 2013, until her passing on January 14, 2015.

Lynette M. Brown- Sow

Chair, Board of Commissioners

Kelvin A. Jeremiah

President & CEO

### **APPENDIX 2**

## THE PHILADELPHIA HOUSING AUTHORITY MEETING OF THE BOARD OF COMMISSIONERS 12 S. 23<sup>rd</sup> St.

#### PHILADELPHIA, PA 19103 THURSDAY, JANUARY 15, 2015, at 3 p.m. AGENDA

- A. Call to Order Lynette M. Brown-Sow, Chair of the Board of Commissioners
  The Philadelphia Housing Authority Board of Commissioners
- B. Remarks Lynette M. Brown-Sow, Chair of the Board of Commissioners Kelvin A. Jeremiah, President & CEO
- C. Approval of Minutes of the Board Meeting held December 18, 2014, as distributed.
- D. New Business
  - 1. RESOLUTION AUTHORIZING AMENDMENT OF THE CONTRACT WITH SOVEREIGN SECURITY, LLC TO ADD FUNDS FOR ADDITIONAL SECURITY

(Dave Walsh)

2. RESOLUTION AUTHORIZING CONTRACTS FOR SMALL GENERAL CONTRACTOR SERVICES FOR MAINTENANCE-RELATED WORK WITH DKJ CONSTRUCTION, INC.; W & W CONTRACTORS, INC.; VELLNIECE CONSTRUCTION, LLC; HOLDER INC., T/A DONOVAN ELECTRIC SUPPLY AND CONSTRUCTION; NESMITH AND COMPANY, INC.; MORGAN CONSTRUCTION MANAGEMENT, LLC; AND TOWNES MECHANICAL CONTRACTORS, INC.

(Dave Walsh)

3. RESOLUTION AUTHORIZING SETTLEMENT OF LITIGATION

(Clare Ann Fitzgerald)

4. RESOLUTION ESTABLISHING A POLICY FOR THE LEASING OF COMMERCIAL SPACES AND AUTHORIZING THE PRESIDENT & CEO TO EXECUTE AGREEMENTS, PURSUANT TO THE POLICY

(Erik Soliván)

E. Public Comment Period

### RESOLUTION AUTHORIZING AMENDMENT OF THE CONTRACT WITH SOVEREIGN SECURITY, LLC TO ADD FUNDS FOR ADDITIONAL SECURITY

WHEREAS, the Philadelphia Housing Authority ("PHA") had identified a need for uniformed unarmed and armed security guard services and, by Resolution No. 11622, adopted on June 20, 2013, the Board authorized the award of contract number P-004209A to Sovereign Security, LLC ("Sovereign Contract"), as well as an identical contract to Scotland Security, in a total amount, for each one of the two contracts, not to exceed two million seven hundred ninety-two thousand one hundred eighty dollars and forty-three cents (\$2,792,180.43); and

**WHEREAS,** by Resolution No. 11690, adopted on March 20, 2014, the Board authorized the acceleration of the contract options for the Sovereign Contract to cover costs for the first six-month period and the period until a new contract was awarded, as the estimated yearly expenditures for the Sovereign Contract were based on a PHA transition from contracted security to police security that did not occur as quickly as anticipated; and

WHEREAS, a Request for Proposal has been created by PHA for new security contracts, under which awards should be made by April 1, 2015; and

**WHEREAS,** security costs under the Sovereign Contract have increased due to PHA's responding to a number of resident concerns regarding security, as well as other factors; and

**WHEREAS,** PHA estimates that additional costs, in the amount of one hundred seventy-five thousand dollars (\$175,000.00), are required to cover security through the Sovereign Contract through the remainder of the fiscal year, which ends on March 31, 2015;

**BE IT RESOLVED**, that the President & CEO or his authorized designee is hereby authorized to add one hundred seventy-five thousand dollars (\$175,000.00), to contract P-004209A with Sovereign Security, LLC, to cover costs resulting from additional security requirements.

I hereby certify that this was
APPROVED BY THE BOARD ON 1/15/15

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ATTORNEY FOR PHA

RESOLUTION AUTHORIZING CONTRACTS FOR SMALL GENERAL CONTRACTOR SERVICES FOR MAINTENANCE-RELATED WORK WITH DKJ CONSTRUCTION, INC.; W & W CONTRACTORS, INC.; VELLNIECE CONSTRUCTION, LLC; HOLDER INC, T/A DONOVAN ELECTRIC SUPPLY AND CONSTRUCTION; NESMITH AND COMPANY, INC.; MORGAN CONSTRUCTION MANAGEMENT, LLC; AND TOWNES MECHANICAL CONTRACTORS, INC.

WHEREAS, the Philadelphia Housing Authority ("PHA") has identified a need for small general contractor services and a Request for Proposal was developed for the selection of companies to address fulfilling this requirement, according to established procedures and all applicable laws regarding public contracts; and

**WHEREAS,** the Request for Proposal was mailed to the appropriate companies on PHA's Outreach List and distributed to those who responded to the invitation through the publications; and

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

WHEREAS, based upon the consensus evaluation, it is recommended that contracts be awarded to DKJ Construction, Inc.; W & W Contractors, Inc.; Vellniece Construction, LLC; Holder Inc., T/A Donovan Electric Supply and Construction; Nesmith and Company, Inc.; Morgan Construction Management, LLC; and Townes Mechanical Contractors, Inc.; for a one (1) year base period with two (2) one-year option periods; and

WHEREAS, it is further recommended that the aggregate expenditure under all the contracts with the above-listed entities, including the exercise of all options, shall not exceed ten million five hundred thousand dollars (\$10,500,000.00), with each individual contractor limited to five hundred thousand dollars (\$500,000.00) per contract year (the one (1) year base period and the two (2) one-year option periods);

BE IT RESOLVED, that the President & CEO or his authorized designee is hereby authorized to conclude and execute contracts with DKJ Construction, Inc.; W & W Contractors, Inc.; Vellniece Construction, LLC; Holder Inc., T/A Donovan Electric Supply and Construction; Nesmith and Company, Inc.; Morgan Construction Management, LLC; and Townes Mechanical Contractors, Inc.; for a total aggregate amount not to exceed ten million five hundred thousand dollars (\$10,500,000.00), with each individual contractor limited to five hundred thousand dollars (\$500,000.00) per contract year, subject to the availability of funds therefor, as set forth above, and to take all necessary actions relating to such contract, including determining whether the options available under the contracts shall be exercised.

APPROVED BY THE BOARD ON 1/5/15

ARBORD CHARLE CHARLE CHARLE CHARLES ATTORNEY FOR PHA

#### RESOLUTION AUTHORIZING SETTLEMENT OF LITIGATION

**WHEREAS,** a former employee of PHA ("Plaintiff") brought an employment action against the Philadelphia Housing Authority ("PHA") seeking monetary damages; and

WHEREAS, based on an evaluation of the case made by the Office of General Counsel ("OGC"), in cooperation with outside legal counsel and PHA's general liability insurer, the Housing Authority Risk Retention Group, Inc. ("HARRG"), PHA reached a comprehensive settlement agreement with the Plaintiff, pursuant to which PHA will pay Plaintiff a total of ninety-nine thousand nine hundred ninety-nine dollars (\$99,999.00), in exchange for Plaintiff's release of all claims; and

**WHEREAS,** this resolution was discussed with the Board of Commissioners in Executive Session, in accordance with the Sunshine Act, 65 Pa. C.S.A. §§ 701 et seq.; and

**WHEREAS**, pursuant to the terms of the settlement agreement, Plaintiff has agreed to maintain the confidentiality of the terms of the agreement; and

WHEREAS, PHA's contribution toward the settlement in the amount not to exceed of ninety-nine thousand nine hundred ninety-nine dollars (\$99,999.00) is within PHA's insurance policy deductible of one hundred fifty thousand dollars (\$150,000.00); and

WHEREAS, HARRG will pay to Plaintiff's attorney a check for Plaintiff's attorney's fees and pay to PHA the remaining gross settlement amount of ninety-nine thousand nine hundred ninety-nine dollars (\$99,999.00), minus the Plaintiff's attorney's fees, and, pursuant to the terms of the settlement agreement, PHA then will make one payment to Plaintiff for alleged lost wages in the gross amount of sixty thousand five hundred ninety-nine dollars (\$60,599.00), less appropriate taxes and deductions, with an IRS Form W-2; and

**WHEREAS**, the settlement was determined by OGC and represented to the Board in Executive Session to be in the best interests of PHA;

**BE IT RESOLVED,** that authority is granted to PHA's President & CEO or his authorized designee to make payment in an amount not to exceed of ninety-nine thousand nine hundred ninety-nine dollars (\$99,999.00) to settle the claim on behalf of PHA as referenced above, following receipt of the approval of such payment from the U.S. Department of Housing and Urban Development, and to take all other action necessary to conclude the settlement of the litigation and dismissal of the case, including executing the settlement agreement.

I hereby certify that this was
APPROVED BY THE BOARD ON 45/15

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ATTORNEY FOR PHA

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## RESOLUTION ESTABLISHING A POLICY FOR THE LEASING OF COMMERCIAL SPACE AND AUTHORIZING THE PRESIDENT & CEO TO EXECUTE AGREEMENTS, PURSUANT TO THE POLICY

**WHEREAS**, the Philadelphia Housing Authority ("PHA") currently owns ten (10) commercial spaces at PHA sites where an entity may operate a business or a service for residents and the surrounding community; and

**WHEREAS**, PHA seeks to lease these commercial spaces, as well as any obtained in the future, so as to generate or expand economic activity for PHA and residents and to provide healthcare or related services to residents and the surrounding community; and

**WHEREAS**, in making leasing decisions, the criteria to be used, as set forth in the attached Policy for the Leasing of Commercial Space ("Policy'), shall be as follows: 1) positive impact on PHA residents; 2) financial opportunity for PHA and/or PHA residents; and 3) the nature of the business or entity leasing the space; and

WHEREAS, the Policy provides for preference for certain PHA resident-owned businesses; and

**WHEREAS,** the Policy also authorizes the PHA President & CEO or his designee(s) to enter into commercial leases, according to the provisions of the Policy, and to report to the Board of Commissioners on an annual basis, as to the status of the commercial spaces;

**BE IT RESOLVED**, that the Policy for the Leasing of Commercial Space, attached hereto, is hereby adopted and authorization is granted thereunder to the President & CEO or his duly authorized designee(s), as set forth in the attached Policy.

APPROVED BY THE BOARD ON 1/15/15

Santra lider, Sterent Coursel

STERENT FOR PHA

Attachment to the Resolution Establishing a Policy for the Leasing of Commercial Spaces and Authorizing the President & CEO to Execute Agreements, Pursuant to the Policy

### PHILADELPHIA HOUSING AUTHORITY POLICY FOR THE LEASING OF COMMERCIAL SPACE

January 15, 2015

#### Statement of Purpose:

The purpose of this Policy is to establish requirements for the Philadelphia Housing Authority ("PHA") regarding the lease and usage of its commercial space, so as to have consistent and defined criteria to be applied by the PHA President & CEO ("PHA CEO") or his designee(s) in making commercial leasing decisions, which the PHA CEO is authorized to do, pursuant to this Policy.

This Policy and procedures created pursuant to it are designed to ensure compliance with legal requirements and to establish the following three primary criteria with regard to leasing decisions: 1) positive impact on PHA residents; 2) financial opportunity for PHA and/or PHA residents; and 3) the nature of the business or entity leasing the space.

#### Background:

Over the years, as PHA developed its sites, it created spaces for commercial activity that would create or expand economic activity in their neighborhoods. There are currently ten (10) commercial spaces at PHA developments that are suitable for leasing and appropriate for generating revenue or providing healthcare-related services. Under this Policy, PHA will use these spaces, as well as any that may be acquired in the future, to strategically generate or expand economic activity and/or healthcare services in its neighborhoods, provide opportunities for residents and improve these communities.

#### Definitions:

- Supply Chain Management ("SCM"): PHA's procurement department
- Commercial Space: Commercial spaced owned by PHA that may be used for either "RGA" or "SRS" (as defined below) purposes
- <u>Commercial Space Revenue Generating Activity ("RGA"):</u> Commercial Spaces identified by PHA as having "store front fit" for a business to operate
- Commercial Space Suitable for Resident Services ("SRS"): Commercial Spaces identified by PHA as fit to operate services for the benefit of residents at the site and surrounding neighborhood

#### Policy:

#### Section I. Authorization

This Policy authorizes the PHA CEO or his designee(s) to execute agreements for the leasing of Commercial Space, in accordance with the requirements and criteria identified in this Policy, as well as all applicable federal, Commonwealth and PHA requirements.

#### Section II. Categorizing Commercial Spaces

- A. PHA will designate Commercial Spaces, owned now or in the future, as either RGA or SRS.
- B. PHA hereby designates the following spaces as SRS:

- 1. Ridge Avenue Adult Day Center -- at Nellie Reynolds Garden, 2653 W. Glenwood Avenue
- 2. Adult Day Center Space at Warnock, 2850 Germantown Avenue
- 3. Resident Health Care Center Space at Hill Creek Apartments, 500 Adams Avenue
- 4. Adult Day Center Space at Germantown House, 5457 Wayne Avenue
- 5. Adult Day Center Space at Greater Grays Ferry Estate, 3001 W. Moore Street
- C. PHA hereby designates the following Commercial Spaces as RGA:
  - 1. Ground Floor Mantua Square, 3516 Fairmount Avenue
  - 2. Ground Floor Martin Luther King Plaza, 1600 Federal Street
  - 3. Ground Floor Courtyard Apartments, 1021 N. 4th Street
  - 4. Ground Floor Nellie Reynolds Garden, 2653 W. Glenwood Avenue
  - 5. Ground Floor Falls Ridge, 4301-4349 Ridge Avenue

#### Section III. Administration of Commercial Space

SCM shall be responsible for managing the leasing of all Commercial Space, both RGA and SRS, and may enter into agreements to market the spaces, administer a vendor selection process, or establish a strategic partnership for the leasing of the commercial space, in accordance with this Policy and all applicable federal, Commonwealth and PHA requirements.

#### Section IV. Prohibited Uses

The following are prohibited uses of Commercial Space:

- 1. Serving or selling alcohol
- 2. Pawn Shops
- 3. Adult-only entertainment
- 4. Loan providers known as "Pay-Day Lenders"

#### Section V. Qualifications of a Lessee

- A. Prior to executing an agreement for the leasing of Commercial Space, SCM will ensure that a multi-point review of the lessee has been done to assess the ability of the lessee to make payments, provide services, and otherwise to maintain good standing during the term of the lease, which review shall include, but not be limited to, the following:
  - 1. Payment History
  - 2. Current condition of any leased spaces, if applicable
  - 3. Bank Statements and other proof of assets
  - 4. Proof of financing, if applicable
  - 5. Any necessary licenses to operate business
  - 6. Proof of suitable insurance
  - 7. Forms of identification, including driver license, passport, and/or alien registration
  - 8. Proof of the ability to pay the contractual amount of rent, such as Federal Income Tax Returns for the individual and the business
  - 9. SRS Only A Service Model describing the services offered and benefit to residents
  - 10. RGA Only A current or proposed business plan and cash flow analysis to show the ability to pay monthly rent.
- B. SCM will determine whether any other information is needed from the lessee prior to submitting the lease for the execution by the PHA CEO.

#### Section VI. Preferences for RGA Commercial Space

- A. Resident-Owned Businesses: When selecting prospective tenants for RGA commercial space, preference shall be given to PHA resident-owned businesses that are duly incorporated and fulfill all the requirements stated in the Qualifications of a Lessee, Section V, in that when two applications are equal in their ability to pay rent and their anticipated advantage to the residents of PHA, the selection shall go to a PHA resident-owned business.
- B. Businesses Demonstrating Benefit to Residents: Preference shall be given, when applications are otherwise equal, to businesses that can demonstrate a benefit to PHA residents, such as expected employment opportunities, fulfilling resident needs for certain services, etc.

#### Section VII. Rental Rates

#### A. SRS

- SCM will ensure that an analysis is done of the available healthcare or other similar services in the neighborhood, as administered by the City or State designated healthcare providers, to determine whether a lessee will be able to meet the needs of the community residents.
- 2. SRS Rental Rates shall be calculated at the minimum fair market value, less property taxes and insurance. The goal of PHA is to "break even" on these leases to promote maximum value for resident access to healthcare-related services in the communities they serve.

#### B. RGA

- SCM will ensure that a thorough market analysis is done for the economic area and conditions for all RGA spaces. Market rental rates and any approved periodic increases will be determined by SCM.
- Rental Rates for RGAs shall be calculated at the maximum fair market value, whenever possible, so as to maximize revenue realized by PHA.

#### Section VIII. Reporting to the PHA Board

PHA will provide an annual report to the Board of Commissioners with the status of leased PHA properties.

### **APPENDIX 3**

# JAN. 15, 2015 SIGN-UP SHEET FOR THE <u>GENERAL PUBLIC COMMENT PERIOD</u> AT THE END OF THE BOARD MEETING

(3 minutes per person)



### Please PRINT your name and generally identify your topic:

| 1. | Name: Dense Eubanks  |
|----|--|
|    | Maintenance Issue? Yes No_/Other (topic): Appeal Process (  Tinked for one Never heard |
| 2. | Name: CHESTER SKAZIAK  |
|    | Maintenance Issue? Yes No Other (topic):ROSTING AGEND A                                |
| 3. | Name: Maintenance Issue? Yes No Other (topic):   |
| 4. | Name:  Maintenance Issue? Yes No Other (topic):  |
|    | Manitonanio 10040. 100 110 Other (topio).  |
| 5. | Name:  |
|    | Maintenance Issue? Yes No Other (topic):   |