



**PHILADELPHIA HOUSING AUTHORITY BOARD OF COMMISSIONERS
MEETING MINUTES
Thursday, January 18, 2024
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 by its Chair, Lynette Brown-Sow, at approximately 3:15 p.m. The Chair, Vice-Chair Wetzel and the following Commissioners participated: Commissioners Callahan, Camarda, Coney, Shahid, and Wise, as well as President & CEO (“CEO”) Kelvin Jeremiah, and the General Counsel and Board Secretary, Laurence M. Redican. Commissioners Mayo and Purnell did not participate.

The Chair requested a moment of silence to prepare for the meeting.

The CEO reviewed the commenting procedures and made the following announcements:

- 1) PHA hosted a successful day of service for the Martin Luther King Jr. holiday, including a festive Bingo Plus Health Care event for PHA elders, sponsored by Keystone First, as well as an important event offering activities and discussion on the importance of voting, organized by Rose Bryant and the team at Lucien Blackwell.
- 2) In addition to the PhillySEEDS scholarship program, it has launched a Post-Secondary Education Assistance Program, to support high school/GED graduate applicants who have less than a 2.5 GPA (or a GED equivalent). PhillySEEDS also increased the scholarship amounts for the existing PhillySEEDS Scholarships Program (for applicants with a GPA of 2.5 or higher) to \$3,000, \$4,000, and \$5,000.

The Chair asked whether there were any changes or corrections for the minutes of the December 21, 2023 Board meeting, as distributed. Hearing none, the minutes were approved.

Four (4) resolutions were presented and unanimously approved by the Board, after the opportunity for discussion and public comment, for each resolution.

Resolution No. 12325, attached in Appendix 1, was presented by Dave Walsh, Executive Vice President of Supply Chain Management (“EVP-SCM”), to authorize PHA to contract with Nan McKay for Rent Reasonableness Services, with a two (2) year base contract period and (3) three one-year option periods, in an amount not to exceed three hundred thousand dollars (\$300,000.00). The resolution had been reviewed by the Finance Committee prior to presentation to the Board and its Chair, Commissioner Callahan, moved for its adoption. Following a second, with Commissioner Callahan noting that the committee had reviewed and recommended adoption of the resolution, and an

opportunity for public comment (as was available for all the resolutions), of which there was none, the motion was unanimously approved.

Resolution No. 12326, attached in Appendix 1, was presented by Dave Walsh, EVP-SCM, to authorize PHA to contract for Water and Sewer Protection Services with One Mechanical New Innovation, LLC and Hot and Cold Mechanical LLC, with a two (2) year base contract period and (3) three one-year option periods, in a total aggregate amount not to exceed ten million five hundred thousand dollars (\$10,500,000.00). Commissioner Callahan moved for the adoption of the resolution, as it had been reviewed and was recommended by the Finance Committee, of which she is Chair. There being no discussion, the motion was unanimously approved.

Resolution No. 12327, attached in Appendix 1, was presented by Dave Walsh, EVP-SCM, to authorize PHA to contract for Independent Audit Services with Clifton Larson Allen, LLP, with a two (2) year base period and (3) three one-year option periods, in an amount not to exceed one million eight hundred fifteen thousand one hundred seventy dollars (\$1,815,170.00). Commissioner Callahan, Chair of the Finance Committee that had reviewed the resolution, moved for its adoption. After a second, the motion was unanimously approved.

Resolution No. 12328, attached in Appendix 1, was presented by Laurence M. Redican, General Counsel for PHA, to authorize PHA to create a Supplemental Retirement Plan for the President & CEO, the Senior Executive Vice Presidents, and executives that report directly to the President & CEO, as set forth in the attachment to the resolution. This resolution was also reviewed by the Finance Committee and Commissioner Callahan moved for its adoption. Following a second, there was discussion before the vote was taken, and the motion was unanimously approved.

For the **public comment period**, Sterling Johnson spoke about concerns regarding “subsidized housing” (as summarized on the comment sign-up sheet), which related to two properties with restrictions as well as concerns of some PHA residents with RAD conversions. His comments were addressed by Vice-Chair Wetzel and the CEO, as well as Commissioner Coney.

The Chair noted that the next Board meeting is scheduled for February 15, 2024 and the meeting ended at approximately 3:40 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Laurence M. Redican". The signature is fluid and cursive, with the first name being the most prominent.

Laurence M. Redican
General Counsel
Philadelphia Housing Authority

APPENDIX 1

**THE PHILADELPHIA HOUSING AUTHORITY
AGENDA FOR THE MEETING OF THE BOARD OF COMMISSIONERS
2013 RIDGE AVE.
PHILADELPHIA, PA 19121
THURSDAY, JANUARY 18, 2024, at 3 p.m.**

- A. Call to Order** Lynette Brown-Sow, Chair of the Board of Commissioners
- B. Remarks** Kelvin A. Jeremiah, President & CEO
- C. Approval of Minutes** of the Board Meeting held December 21, 2023, as distributed
- D. New Business**
- 1. RESOLUTION AUTHORIZING A CONTRACT FOR RENT REASONABLENESS SERVICES WITH NAN MCKAY AND ASSOCIATES, INC.**

Dave Walsh
 - 2. RESOLUTION AUTHORIZING CONTRACTS FOR WATER AND SEWER PROTECTION SERVICES WITH ONE MECHANICAL NEW INNOVATION LLC AND HOT AND COLD MECHANICAL LLC**

Dave Walsh
 - 3. RESOLUTION AUTHORIZING A CONTRACT FOR INDEPENDENT AUDIT SERVICES WITH CLIFTON LARSON ALLEN, LLP**

Dave Walsh
 - 4. RESOLUTION ADOPTING THE PHILADELPHIA HOUSING AUTHORITY SUPPLEMENTAL RETIREMENT PLAN**

Laurence Redican
- E. Public Comment**

RESOLUTION NO. 12325

**RESOLUTION AUTHORIZING A CONTRACT WITH NAN MCKAY AND ASSOCIATES, INC.
FOR RENT REASONABLENESS SERVICES**

WHEREAS, the Philadelphia Housing Authority ("PHA") has identified a need for management consulting 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 posted on PHA's website, advertised via local publications and chambers of commerce, mailed to qualified entities on PHA's Outreach List, and distributed to those who responded to the invitation; 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 and approval for presentation to the Board after additional review processes, including Board committee and resident leadership review, it is recommended that a contract be awarded to Nan McKay and Associates, Inc.; and

WHEREAS, work is to be assigned to the awardee at the discretion of the contracting officer based on need, performance and other legitimate business factors, and may be altered within the terms of the contract at any time during the course of the contract at the discretion of the contracting officer; and

WHEREAS, it is recommended that the aggregate amount to be expended under the contract shall not exceed three hundred thousand dollars (\$300,000.00) with a two-year base period and three (1) one-year option periods, as follows:

- 1) The not-to-exceed amount for the two-year base period is one hundred twenty thousand dollars (\$120,000.00);
- 2) The not-to-exceed amount for the first one-year option period is sixty thousand dollars (\$60,000.00);
- 3) The not-to-exceed amount for the second one-year option period is sixty thousand dollars (\$60,000.00); and
- 4) The not-to-exceed amount for the third one-year option period is sixty thousand dollars (\$60,000.00);

BE IT RESOLVED, that the Board of Commissioners hereby authorizes the President & CEO and/or his authorized designee(s) to conclude and execute a contract with Nan McKay and Associates, Inc. for an amount not to exceed three hundred thousand dollars (\$300,000.00), subject to the availability of funds therefor, as set forth above, and to take all necessary actions relating to said contract, including determining whether the options available under the contract shall be exercised.



I hereby certify that this was
APPROVED BY THE BOARD ON 1/19/24
[Signature]
ATTORNEY FOR PHA

RESOLUTION NO. 12326

RESOLUTION AUTHORIZING CONTRACTS FOR WATER AND SEWER PROTECTION SERVICES WITH ONE MECHANICAL NEW INNOVATION LLC AND HOT AND COLD MECHANICAL LLC

WHEREAS, the Philadelphia Housing Authority (“PHA”) has identified a need for management consulting 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 posted on PHA’s website, advertised via local publications and chambers of commerce, mailed to qualified entities on PHA’s Outreach List, and distributed to those who responded to the invitation; 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 and approval for presentation to the Board after additional review processes, including Board committee and resident leadership review, it is recommended that contracts be awarded to One Mechanical New Innovation and Hot and Cold Mechanical, LLC; and

WHEREAS, work is to be assigned to the two (2) awardees at the discretion of the Contracting Officer based on need, performance and other legitimate business factors, and may be altered within the terms of the contract at any time during the course of the contract at the discretion of the contracting officer; and

WHEREAS, it is recommended that the aggregate amount to be expended under the contracts shall not exceed ten million five hundred thousand dollars (\$10,500,000.00) with a two-year base period and three (1) one-year option periods, as follows:

- 1) The not-to-exceed aggregate amount for the two-year base period is four million two hundred thousand dollars (\$4,200,000.00);
- 2) The not-to-exceed aggregate amount for the first one-year option period is two million one hundred thousand dollars (\$2,100,000.00);
- 3) The not-to-exceed aggregate amount for the second one-year option period is two million one hundred thousand dollars (\$2,100,000.00); and
- 4) The not-to-exceed aggregate amount for the third one-year option period is two million one hundred thousand dollars (\$2,100,000.00);

BE IT RESOLVED, that the Board of Commissioners hereby authorizes the President & CEO and/or his authorized designee(s) to conclude and execute contracts with One Mechanical New Innovation LLC and Hot and Cold Mechanical, LLC for a total aggregate amount not to exceed ten million five hundred thousand dollars (\$10,500,000.00), subject to the availability of funds therefor, as set forth above, and to take all necessary actions relating to such contracts, including determining whether the options available under the contracts shall be exercised.



I hereby certify that this was
APPROVED BY THE BOARD ON 11/19/24
James M. Medina
ATTORNEY FOR PHA

RESOLUTION NO. 12327

RESOLUTION AUTHORIZING A CONTRACT WITH CLIFTON LARSON ALLEN, LLP FOR INDEPENDENT AUDIT SERVICES

WHEREAS, the Philadelphia Housing Authority (“PHA”) has identified a need for management consulting 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 posted on PHA's website, advertised via local publications and chambers of commerce, mailed to qualified entities on PHA's Outreach List, and distributed to those who responded to the invitation; 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 and approval for presentation to the Board after additional review processes, including Board committee and resident leadership review, it is recommended that a contract be awarded to Clifton Larson Allen, LLP; and

WHEREAS, work is to be assigned to the awardee at the discretion of the Contracting Officer based on need, performance and other legitimate business factors, and may be altered within the terms of the contract at any time during the course of the contract at the discretion of the Contracting Officer; and

WHEREAS, it is recommended that the aggregate amount to be expended under the contract shall not exceed one million eight hundred fifteen thousand one hundred seventy dollars (\$1,815,170.00) with a two-year base period and three (1) one-year option periods, as follows:

- 1) The not-to-exceed amount for the two-year base period is six hundred seventy three thousand nine hundred forty-one dollars (\$673,941.00);
- 2) The not-to-exceed amount for the first one-year option period is three hundred sixty one thousand four hundred sixty-six dollars (\$361,466.00);
- 3) The not-to-exceed amount for the second one-year option period is three hundred seventy nine thousand four hundred ninety-three dollars (\$379,493.00); and
- 4) The not-to-exceed amount for the third one-year option period is four hundred thousand two hundred seventy dollars (\$400,270.00);

BE IT RESOLVED, that the Board of Commissioners hereby authorizes the President & CEO and/or his authorized designee(s) to conclude and execute a contract with Clifton Larson Allen, LLP for an amount not to exceed one million eight hundred fifteen thousand one hundred seventy dollars (\$1,815,170.00), 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.



I hereby certify that this was
APPROVED BY THE BOARD ON 1/18/24
James M. Redie
ATTORNEY FOR PHA

RESOLUTION NO. 12328

RESOLUTION ADOPTING THE PHILADELPHIA HOUSING AUTHORITY SUPPLEMENTAL RETIREMENT 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, PHA believes a supplemental retirement plan (“SRP”) benefit in the form attached hereto as Appendix A, for certain long-service senior executives of PHA, would be in the best interests of PHA; and

WHEREAS, such a benefit would be provided in a tax-advantaged manner to the executives upon a predesignated retirement date (or in the event of certain events as permitted under the Internal Revenue Code (“IRC”) and the SRP benefit would be in addition to benefits currently provided to the executives under the PHA Retirement Income Plan and/or the PHA Defined Contribution Plan; and

WHEREAS, the proposed operative provisions of the SRP would include the follow:

- **Eligibility:** Eligibility is limited to the President & CEO, the Senior Executive Vice Presidents, and executives that report directly to the President & CEO (“Eligible Executives”).
- **Plan Benefit:** The SRP benefit shall consist of 10% of the Eligible Executive’s compensation in the year of determination, for every year served (up to 10 years) and shall not exceed 100% of Eligible Executive’s base compensation as of his/her 10th year (or in the case of executives with 10 years at the time of Plan adoption, the base compensation as of January 1, 2024).
- **Substantial Risk of Forfeiture:** In the event that the Eligible Executive’s employment terminates prior to vesting, the SRP benefit is forfeited in its entirety.
- **Unsecured Benefit:** The SRP benefit shall be an unsecured liability of PHA. In the event of the bankruptcy, insolvency, receivership or other Federal or state assumption PHA, the Executive shall have the status of an unsecured creditor of PHA and, as a result, such benefit may be reduced or eliminated completely.
- **Service Retirement Vesting:** Vesting occurs as of the completion of service through the “retirement date” selected by the Eligible Executive. The retirement date (i) must be selected with sixty days of initial eligibility; and (ii) must be at least two (2) years following the date of initial eligibility.
- **Deferred Retirement Vesting:** Upon the consent of PHA Board, the Eligible Executive may elect to defer the Service Retirement Vesting date provided that such deferral complies with IRC Section 457(f) and the regulations thereunder (Generally, such deferral must be for a period of at least two years and must provide for an increase of at least twenty-five percent greater than the benefit payable at the Service Retirement Vesting date).
- **Accelerated Vesting:** Vesting of the SRP benefit will be accelerated in such circumstances as permitted under IRC Section 457(f) and the regulations thereunder.

Examples of accelerated vesting events include death, disability and involuntary termination without cause or for good reason.

- **Taxation:** The SRP benefit shall be taxable for Federal income tax purposes upon Service Retirement Vesting, Accelerated Vesting or Deferred Retirement Vesting as appropriate.
- **Tax Withholding:** The SRP benefit will be subject to appropriate income and wage tax withholding upon vesting.
- **Acknowledgment:** The Eligible Executive will agree and acknowledge that the SRP benefit is a contractual obligation of PHA and such contract is subject to revision and/or nullification if found to be in violation of applicable Federal, Commonwealth or City laws and regulations governing PHA.
- **Release:** The Eligible Executive shall agree to release PHA, its Board, officers and executives with respect to all claims deriving from Executive's employment (provided that such claims can be released under applicable law) as a condition of receipt of the SRP benefit.
- **Plan Adoption:** The PHA Board must authorize the adoption of SRP and the execution of SRP plan document.

BE IT RESOLVED, that the Philadelphia Housing Authority hereby authorizes the creation of the Supplemental Retirement Plan substantially in the form attached hereto as Attachment A.



I hereby certify that this was
APPROVED BY THE BOARD ON 1/18/24
Sam M. Kohn
ATTORNEY FOR PHA

Attachment to Reso re: Supplemental Exec. Retirement Plan

**PHILADELPHIA HOUSING AUTHORITY
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

Effective February 1, 2024

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**Philadelphia Housing Authority
Supplemental Executive Retirement Plan**

The Philadelphia Housing Authority desires to provide certain of its senior level executives with an opportunity to supplement retirement savings through this Executive Supplemental Retirement Plan (the “Plan” or “SRP”). The SRP operates as a non-qualified deferred compensation plan and is designed to operate in compliance with the provisions of Sections 409A and Section 457(f) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, to effect its intentions, the Philadelphia Housing Authority hereby adopts this Executive Supplemental Retirement Plan effective February 1, 2024

**ARTICLE I
DEFINITIONS**

Section 1.01 Accelerated Vesting Date

Shall mean the Vesting Date deemed to occur due to the occurrence of an accelerating event as set forth under Article IV.

Section 1.02 Actuary

Shall mean an enrolled actuary selected by the Administrative Committee to provide actuarial services for the Plan.

Section 1.03 Administrator

Shall mean the Administrative Committee as established pursuant to Article VI. The Administrator may designate certain administrative functions as it deems appropriate and such individual or entity shall serve as the Administrator for purposes of such function.

Section 1.04 Age

Shall mean attained age, not age at nearest birthday.

Section 1.05 Beneficiary

Shall mean the individual(s) identified as the Beneficiary of a Participant pursuant to the PHA Retirement Income Plan.

Section 1.06 Board

Shall mean the Board of Commissioners of the Philadelphia Housing Authority.

Section 1.07 Code

Shall mean the Internal Revenue Code of 1986, as amended.

Section 1.08 Compensation

Shall mean a Participant's basic compensation received from the Employer excluding overtime payments, commissions, bonuses, severance incentive programs and any other additional compensation, but including Employee elective contributions to any cafeteria plan under Sections 125, 132(f) of the Code and any deferred compensation plan under Section 457 of the Code.

Section 1.09 Deferred Retirement Vesting Date

Shall mean the Vesting Date selected by the Participant pursuant to Article IV which occurs after the Service Retirement Vesting Date.

Section 1.10 Defined Contribution Plan

Shall mean the Philadelphia Housing Authority Defined Contribution Plan as may be amended from time to time.

Section 1.11 Disability

Shall mean a physical or mental condition which permanently prevents a Participant from satisfactorily performing his usual duties for the PHA or the duties of such other position or job made available to him and for which such Participant is qualified by reason of his training, education or experience. The determination of whether a Participant satisfies this definition of Disability shall be made by the Administrator in accordance with nondiscriminatory rules and procedures established by the Administrator (which may include a physical examination, medical reports and other evidence). The above notwithstanding, a Participant shall not be deemed to have a Disability unless: (i) he is expected to be separated from service for a period of at least twelve (12) months as a direct result of illness or injury; (ii) he has no reasonable prospect of returning to service with the PHA and (iii) such illness or injury satisfies the definition of "disability" as set forth in Tres. Reg. §1.409A-3(i)(4).

Section 1.12 Effective Date

Shall mean February 1, 2024.

Section 1.13 Employer

Shall mean the Philadelphia Housing Authority ("PHA") or any successor entity that, as hereinafter provided, shall assume the obligations of this Plan with respect to its Participants.

Section 1.14 Participant

Shall mean any individual in the employ of the Employer who is a participant in the Plan pursuant to Article II.

Section 1.15 Plan

Shall mean the “Philadelphia Housing Authority Executive Supplemental Retirement Plan” as set forth herein, or in any amendments thereto. The Plan is intended to be a plan of deferred compensation as defined in Section 457(f) and Section 409A of the Code and is also intended to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

Section 1.16 Plan Year

Shall mean the one (1) year period beginning each January 1 and ending each December 31.

Section 1.17 Rabbi Trust

Shall mean a trust established by the Employer under Rev. Proc. 92-64, 1992-2 C.B. 428 or otherwise, for the exclusive purpose of providing benefits accrued pursuant to this Plan.

Section 1.18 Retirement Income Plan

Shall mean the Philadelphia Housing Authority Retirement Income Plan as may be amended from time to time.

Section 1.19 Service Retirement Vesting Date

Shall mean the initial Vesting Date selected by the Participant pursuant to Article IV on which all risks of forfeiture shall be deemed to lapse.

Section 1.20 Severance from Employment

Shall mean the termination of a Participant’s employment with the Employer through an “involuntary severance from employment” and a “severance from employment for good reason” as defined Tres. Reg. §1.457-11.

Section 1.21 Spouse

Shall mean the current lawful spouse of a Participant at the time of the Participant’s death.

Section 1.22 Supplemental Retirement Benefit

Shall mean the benefit under this Plan as calculated pursuant to Article III.

Section 1.23 Tax Liability

Shall mean the tax liability attributable to the vesting of all or any portion of the Supplemental Retirement Benefit under this Plan (including federal, state, local and payroll taxes).

Section 1.24 Trustees

Shall mean the Trustees of the Rabbi Trust.

Section 1.25 Vesting Date

Shall mean the Participant's Service Retirement Vesting Date, Deferred Retirement Vesting Date or Accelerated Vesting Date as applicable.

ARTICLE II
PARTICIPATION IN THE PLAN

Section 2.01 Eligibility

The Chief Executive Officer and each Senior Executive Vice President of the Employer shall become a Participant in the Plan upon completion of the applicable enrollment form(s). In addition, the Chief Executive Officer may, at his/her discretion, authorize the participation of additional executives for participation. Such authorization of participation shall be irrevocable.

ARTICLE III
SUPPLEMENTAL RETIREMENT BENEFIT

Section 3.01 Supplemental Retirement Benefit

(a) Supplemental Retirement Benefit. A Participant's Supplemental Retirement Benefit shall be equal to the product of X, Y and Z where:

(i) X equals the Participant's Years of Service as determined under the Retirement Income Plan (or, if applicable, the Defined Contribution Plan) but not to exceed ten (10);

(ii) Y equals ten percent (10%); and

(iii) Z equals the Participant's Compensation as of the last day the Plan Year, provided, however that: (A) any increase in Compensation after the Participant has attained ten (10) Years of Service shall be disregarded; and (B) if a Participant has completed ten Years of Service as of the Effective Date, such Participant's Compensation shall be determined as of the Effective Date and any further increase shall be disregarded.

Section 3.02 Form and Payment of Supplemental Retirement Benefit.

The Supplemental Retirement Benefit, net of applicable federal, state, City and payroll taxes, shall be paid to the Participant in a single sum within ninety (90) days of the Participant's Vesting Date. In the event of an Accelerated Vesting Date due to the death of the Participant, the Supplemental Retirement Benefit shall be paid to the Participant's Spouse or the Participant's Beneficiary if other than the Spouse.

ARTICLE IV

VESTING

Section 4.01 Substantial Risk of Forfeiture. A Participant shall forfeit the Supplemental Retirement Benefit, or if he/she incurs a Severance from Employment before the applicable Vesting Date.

Section 4.02 Service Retirement Vesting. The Participant may select a Service Retirement Vesting Date for the Supplemental Retirement Benefit provided that: (A) such selection is made within 60 days of Plan eligibility; and (B) the Service Retirement Vesting Date selected is no earlier than the second anniversary of the date on which the Participant becomes eligible to participate. If a Participant fails to select a Service Retirement Vesting Date, the date on which the Participant attains age 65 shall be deemed the Service Retirement Vesting Date.

Section 4.03 Accelerated Vesting. The above notwithstanding, a Participant's Vesting Date shall be his/her Accelerated Vesting Date in the event that the Participant's employment terminates due to: (A) death, (B) Disability, (C) Separation from Employment for "good reason" or (D) Separation from Employment other than termination "for cause". In such case, the Accelerated Vesting Date shall be the date of the Participant's employment terminates.

The Participant will be deemed to have had a Separation from Employment for "good reason" if the Participant submits his/her resignation within ninety (90) days of any of the following events:

- (1) a material diminution in the Participant's base compensation;
- (2) a material diminution in the Participant's authority, duties or responsibilities, including an adverse change in the Participant's reporting responsibility;
- (3) a material change in the geographic location at which the Participant must perform the services; or
- (4) any other action or inaction that constitutes a material breach by the Employer of the agreement under which the Participant provides services.

In addition, the Participant is required to provide notice of the existence of the good reason event within a period not to exceed 90 days of its initial existence, and PHA must be provided a period of at least 30 days during which it may remedy the good reason event.

The Participant will be deemed to have has a Severance from Employment "for cause" if the Participant:

- (1) engages in acts or omissions constituting dishonesty, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance;
- (2) is convicted of a criminal violation involving fraud or dishonesty;

- (3) materially breaches any agreement, applicable contract of employment with, or applicable policy of the Employer (other than by engaging in acts or omissions enumerated in Paragraph (1) or (2) above), or materially fails to satisfy the conditions and requirements of his/her employment with the Employer and such breach or failure by its nature is incapable of being cured, or such breach or failure remains uncured for more than thirty (30) days following receipt by the Participant of written notice from the Employer specifying the nature of the breach or failure and demanding the cure thereof; or

Section 4.04 Deferred Retirement Vesting A Participant may elect to defer his/her Service Retirement Vesting Date and designate a Deferred Retirement Vesting Date with respect to the Supplemental Retirement Benefit provided that: (A) such election is made at least ninety (90) days before the current Vesting Date; (B) the extension election is made in writing; (C) the election must extend the Vesting Date to a date that is at least two years following the current Vesting Date; (D) the Employer expressly authorizes an increase in the Supplement Retirement Benefit such that the amount that will vest on the Deferred Vesting Date has a present value of at least 125% of the present value of the Supplemental Retirement Benefit that would otherwise vest on the current Vesting Date; (E) such extension of the Vesting Date otherwise complies with the requirements of Code Section 457(f).

Section 4.05 Act 140

Notwithstanding any provision of this Plan to the contrary, a Participant shall forfeit any Supplemental Retirement Benefit, to which he/she would have otherwise been entitled to under the Plan, upon the date of a plea of guilty or conviction to a crime designated by Pennsylvania Public Employee Pension Forfeiture Act, 1978 July 8 P.L. 752 No. 140; P.S. §1311-1315.

ARTICLE V
MODIFICATION, AMENDMENT AND DISCONTINUANCE OF THE PLAN

Section 5.01 Power to Modify, Amend or Discontinue Plan Reserved

While the Plan is intended to be permanent, the Employer reserves the right at any time, and from time to time, by written resolution to modify or amend, in whole or in any part, any and all provisions of this Plan or to terminate the Plan. In addition, such modifications or amendments may be made by the Employer if such amendments involve administrative matters or are necessary to comply with applicable Federal, State and City law, including but not limited to HUD regulations. These rights are subject to the condition that no part of the assets of the Plan shall, by reason of any modification, amendment, or termination, be used for or diverted to purposes other than for the exclusive benefit of Participants, retired Participants and beneficiaries under the Plan.

Section 5.02 Use of Assets

- (a) Exclusive Benefit.

No part of the assets accumulated for the Plan under the Rabbi Trust (if applicable) shall be used directly or indirectly for any purpose other than the exclusive benefit of Participants or their beneficiaries under the Plan as it is established, or as the Plan may be changed by modification, amendment, or termination, prior to the satisfaction of all liabilities under the Plan and the general creditors of the PHA under federal and state law.

(b) Payment of Tax Liability

The above notwithstanding, assets accumulated for the Plan under the Rabbi Trust may be remitted to appropriate taxing authorities in an amount as necessary to satisfy any Tax Liability arising as a result of the Participant's vesting in his/her Supplemental Retirement Benefit.

ARTICLE VI
ADMINISTRATION OF THE PLAN

Section 6.01 Appointment of the Administrative Committee

The administration of the Plan, as provided herein, including the payment of all benefits to Participants or their beneficiaries, shall be vested in and shall be the responsibility of the Administrative Committee who is the administrator and named fiduciary of the Plan.

Section 6.02 Conduct of the Administrative Committee Business

A majority of the Administrative Committee shall have power to act, and the concurrence of any member may be by telephone, email or letter. In the administration of the Plan and consistent with the authorization of the Board, the Administrative Committee may, (a) employ agents to carry out nonfiduciary and fiduciary responsibilities, (b) consult with counsel, who may be of counsel to the Employer and (c) provide for the allocation of fiduciary responsibilities among their members. Actions dealing with fiduciary responsibilities shall be taken in writing and the performance of agents, counsel and fiduciaries to whom fiduciary responsibilities have been delegated shall be reviewed periodically by the Administrative Committee.

Section 6.03 Expenses of the Plan

The expenses of administering the Plan and the compensation of all employees, agents, or counsel of the Administrative Committee including fees of accountants or actuaries hired by the Administrative Committee shall be paid by the Employer.

Section 6.04 Records and Reports of the Administrative Committee

The Administrative Committee shall keep a record of all of its proceedings, which shall be open to inspection by the Employer. The Administrative Committee shall prepare and submit to the Employer an annual report showing the fiscal transactions of the Plan for the preceding year, a balance sheet showing the financial condition of the Plan and such other information as the Administrative Committee deems necessary or desirable.

Section 6.05 Duties of the Administrative Committee

The Administrative Committee shall administer the Plan and adopt such rules and regulations as in the opinion of the Administrative Committee is necessary or advisable to implement and administer the Plan and to transact its business. In performing their duties, the Administrative Committee shall act solely in the interest of the Participants of the Plan and their Spouses:

- (a) for the exclusive purpose of providing benefits to Participants, Spouses and Beneficiaries:
- (b) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and
- (c) in accordance with the documents and instruments governing the Plan and the Trust (if applicable) applicable federal, state and City laws and administrative guidance including, but not limited to Section 409A and Section 457(f) of the Code..

Section 6.06 Indemnification

The Employer agrees to indemnify and reimburse the Administrative Committee for any out-of-pocket expenses incurred in the performance of its duties under this plan.

Section 6.07 Claims Procedures

Pursuant to procedures established by the Administrative Committee, adequate notice in writing shall be provided to any Participant or Spouse whose claim for benefits under the Plan has been denied. Such notice shall set forth the specific reason for such denial, shall be written in a manner calculated to be understood by the claimant, and provided review is requested within sixty (60) days after receipt by the claimant of written notification of denial of the claim, shall afford a reasonable opportunity to any claimant whose claim for benefits has been denied for a full and fair review by the PHA Executive Board of the decision denying the claim.

ARTICLE VII **GENERAL PROVISIONS**

Section 7.01 No Right to Employment

Nothing contained in the Plan or the establishment of the Rabbi Trust hereunder or any modification thereof, or the creation of any fund or account for the payment of any benefit shall be construed to give any employee, Participant or beneficiary any right to employment or continued employment with the Employer.

Section 7.02 Incapacity

In the event that any retired Participant is unable to care for his affairs because of illness or accident, any payment due (unless a duly qualified guardian or other legal representative has been appointed) may be paid to the Participant's spouse, parent, brother, sister or other person

deemed by the Administrative Committee to have incurred expenses for the care of such retired Participant.

Section 7.03 Assignment and Loan

No Participant shall have the right to assign, transfer, encumber or otherwise subject to lien any of the benefits provided under this Plan. The right of any Participant, Employer or beneficiary to any benefit or to any payment hereunder or to any separate account shall not be subject to alienation, transfer, assignment or encumbrance or otherwise subject to lien, and no loans shall be made under the Plan on the basis of any account held on behalf of a Participant or former Participant.

Section 7.04 Unfunded Status of the Plan

This Plan is intended to constitute an “unfunded” plan of deferred compensation for purposes of the Code. The Plan constitutes a mere promise by PHA to make benefit payments in the future. Benefits payable hereunder shall be payable out of the general assets of PHA or the Rabbi Trust. With respect to any payments not yet made to a Participant, nothing contained herein shall give any such Participant any rights that are greater than those of a general creditor of the PHA.

Section 7.05 Governing Law

Except to the extent preempted by federal law, the Plan shall be construed, administered and enforced in accordance with the laws of the Commonwealth of Pennsylvania. The Plan is a contractual obligation of PHA and subject to revision and/or nullification if found to be in violation of applicable federal, state or City laws and regulations governing PHA.

Section 7.06 Defined Terms

Capitalized terms used herein and not otherwise defined the Plan shall have the meaning ascribed to them in the Retirement Income Plan and/or Defined Contribution Plan as applicable.

Section 7.07 Gender and Pronoun

The masculine pronoun, wherever used, shall include the feminine pronoun, and the singular number shall include the plural number, unless the context of the Plan requires otherwise.

IN WITNESS WHEREOF, as evidence of its adoption of this Plan pursuant to the authorization of the Board on []

PHILADELPHIA HOUSING AUTHORITY

Kelvin A. Jeremiah, M.A., M.P.A
President and Chief Executive Officer

Date: _____