

# **THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**



## **BOARD OF COMMISSIONERS**

**Chairperson - Carl S. Richie, Jr.**

**Charles Bailey**

**Mary Apostolou**

**Tyra Duncan-Hall**

**Edwina Carrington**

**Michael G. Gerber, President & CEO**

## **BOARD OF COMMISSIONERS**

**Regular Meeting**

**Thursday, February 15, 2018**

**12:00 PM**

**HACA'S Central Office**

**1124 S. IH-35**

**Austin, TX 78704**

**PUBLIC NOTICE OF A MEETING  
TAKE NOTICE OF A BOARD OF COMMISSIONERS  
REGULAR BOARD MEETING  
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**TO BE HELD AT  
HACA'S CENTRAL OFFICE  
1124 S. IH 35, Austin, TX  
(512.477.4488)**

**Thursday, February 15, 2018  
12:00 PM**

**CALL TO ORDER, ROLL CALL**

**CERTIFICATION OF QUORUM**

**Pledge of Allegiance**

**Citizens Communication (Note: There will be a three-minute time limitation)**

**Employee of the Quarter**

**CONSENT AGENDA**

Items on the Consent Agenda may be removed at the request of any Commissioner and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or action at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Texas Government Code, Texas Open Meetings Act.

**CONSENT ITEMS**

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on January 18, 2018

**ACTION ITEMS**

2. Presentation, Discussion, and Possible Action regarding Resolution No. 2540: Approval of a renewal of a Contract for Employee Medical Insurance
3. Presentation, Discussion, and Possible Action regarding Resolution No. 2541: Approval of the renewal of Contract for Employee Dental Insurance
4. Update on HACA's Rental Assistance Demonstration Program
5. Presentation, Discussion, and Possible Action regarding Resolution No. 2542: Approval to proceed with submission of an application for 9% low income housing tax credits for Pathways at Chalmers East to the Texas Department of Housing and Community Affairs (TDHCA)
6. Presentation, Discussion, and Possible Action regarding Resolution No. 2543: Approval of revisions to the Housing Choice Voucher Administrative Plan

**EXECUTIVE SESSION**

The Board may go into Executive Session (close its meeting to the public) Pursuant to:

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
- c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. 551.087, Texas Gov't Code, discuss certain economic development negotiations

## **OPEN SESSION**

If there is an Executive Session, the Board will return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session.

## **REPORTS**

The Board accepts the following reports:

- President's Report
- Other Staff Reports
- Commissioners' Reports/Questions to the Department Staff

## **ADJOURNMENT**

"Pursuant to 30.06, Penal Code, (trespass by holder of license with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to 30.07, Penal Code (trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con una arma o pistola.

"En virtud de 30.07, Código Penal (prevaricación por titular de la licencia con un arma o pistola abiertamente llevado), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente.

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\*The Housing Authority of the City of Austin (HACA) Board of Commissioners reserves the right to discuss and consider items out of order on the agenda on an as needed basis.

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Judy Paciocco or Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x2104.

# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### EXECUTIVE

### ITEM NO. 1.

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**MEETING DATE:** February 15, 2018

**STAFF CONTACT:** Michael Gerber, President & CEO

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on January 18, 2018

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

### ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held January 18, 2018.

### SUMMARY

### ATTACHMENTS:

- ▣ 20180118 HACA Summary of Minutes

**HOUSING AUTHORITY OF THE CITY OF AUSTIN  
BOARD OF  
COMMISSIONERS  
REGULAR BOARD  
MEETING**

**JANUARY 18, 2018**

**SUMMARY OF MINUTES**

**THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 NOON ON THURSDAY, JANUARY 18, 2018, AND WAS HELD AT HACA'S CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TEXAS 78704**

**CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM**

The Board of Commissioners Regular Board Meeting of the Housing Authority of the City of Austin, of January 18, 2018, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:19 p.m. The meeting was held at HACA's Central Office, 1124 S. IH 35, Austin, Texas 78704

Roll call certified a quorum was present.

**MEMBERS PRESENT:**

Carl S. Richie, Jr., Chairperson  
Charles Bailey, Vice Chairperson  
Tyra Duncan-Hall, 2<sup>nd</sup> Vice Chairperson  
Edwina Carrington, Commissioner  
Mary Apostolou, Commissioner

**MEMBER(S) ABSENT: NONE**

**STAFF PRESENT:**

Ann Gass, Barbara Jackson, Catherine Crago, Gloria Morgan, Felisa Jones, Judy Paciocco, Lisa Garcia, Lydia Perez, Martha Ross, Michael Cummings, Michael Gerber, Michael Roth, Nidia Hiroms, Nora Morales, Pilar Sanchez, Ron Kowal, and Sylvia Blanco

**ALSO IN ATTENDANCE:**

Jim Ewbank, Cokinos, Bosien & Young Orlando Cabrera, Arnall Golden Gregory

**CITIZENS COMMUNICATION – NONE**

**Ms. Linelle Clark-Brown**, HACA Grants Manager, has recently accepted a position at the University of Houston and will be leaving HACA. During Ms. Clark-Brown's tenure at HACA, she secured \$1.2 million for HACA residents and loved working for the HACA mission.

**PARTNER PRESENTATION – COMMUNITIES IN SCHOOLS (CIS)– Suki Steinhauser**, Chief Executive Officer, **Cami Warren**, SmartKids, and **Sharon Vigil**, Chief Operations Officer, provided programming updates, outcomes and goals.

**EMPLOYEE OF THE QUARTER WILL BE PRESENTED AT THE FEBRUARY MEETING.**

**CITYWIDE ADVISORY BOARD (CWAB) REPORT – THIS WILL BE PROVIDED AT THE FEBRUARY MEETING.**

**CONSENT AGENDA**

**APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:**

**ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of a Board Minutes Summary for the Board Meeting held on December 21, 2017**

**Commissioner Duncan-Hall** moved to approve the Board Minutes Summary for the Board Meeting held on December 21, 2017 as presented. **Commissioner Carrington** seconded the motion. The motion passed. (5-Ayes and 0-Nays).

**ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 2535: Approval of the Award of Contracts for Vacancy Make-Ready Cleaning and optional Painting Services to multiple contractors**

An invitation for bid for Vacancy Make-Ready Cleaning/Painting & Wall Patching services was issued on August 17, 2017, and was advertised in the Austin American Statesman on August 20th and 27th, 2017 with a closing date of September 22, 2017. There was a pre-bid conference on September 8, 2017 with six prospective bidders in attendance. Twenty-nine packets were emailed/picked up and three bids received. Bids were opened, read, and recorded on September 22, 2017. HACA is exercising its right to award multiple contracts. This will offer HACA additional options during times of simultaneous accumulated vacancies across the housing portfolio. The properties will be divided equally and contractors will be monitored for effectiveness and efficiency. Both of the recommended contractors, Done Right Janitorial and Capital City Janitorial, have satisfactory previous HACA experience, and are responsible and responsive. These are fixed price, open end contracts each not exceeding \$75,000.00. Total amount budgeted for this service is \$150,000.

**Commissioner Bailey** moved to approve Resolution No. 2535: Approval of the Award of two open-end, fixed price, contracts each not exceeding \$75,000.00, for Vacancy Make-Ready Cleaning and optional Painting Services to Done Right Janitorial and Capital City Janitorial. The total amount budgeted for this service is \$150,000. **Commissioner Apostolou** seconded the motion. The motion passed. (5-Ayes and 0-Nays).

**ITEM 3: Presentation, Discussion, and Possible Action regarding Resolution No. 2536: Approval of an Award of Contract for Janitorial and Porter Services**

An Invitation for bid was issued for janitorial and porter services on September 14, 2017. It was advertised in the Austin American Statesman on Sunday, September 17th and 24th, 2017 with a close date of October 26, 2017. A pre-bid conference was held on October 4, 2017 at 10:00 a.m with three prospective bidders in attendance. Eighteen packets were emailed/picked up and two responses were received. Responses were publicly opened, read, and recorded. Staff's recommendation is for approval of an award of contract for Janitorial & Porter Services to Done Right Janitorial, in the amount not to exceed \$163,529. This will be a five-year contract, reviewed annually. HACA utilizes the services of contractors to perform janitorial services to ensure our community rooms are cleaned, presentable, and ready for resident programs. Porter services in HACA's administration building provides all day janitorial services, ensuring a cleaner building at all times. The scope of this contract includes after hours janitorial services at six of our properties' community rooms and day porter services at our main administration office.

**Commissioner Carrington** moved to approve Resolution No. 2536: Approval of an Award of Contract for Janitorial and Porter Services in the amount not to exceed \$163,529. **Commissioner Apostolou** seconded the motion. The motion passed. (5-Ayes and 0-Nays).

**ITEM 4: Update on HACA's Rental Assistance Demonstration Program**

**ITEM 5: Presentation, Discussion, and Possible Action regarding Resolution No. 2539: Approval of the Affirmative Fair Housing Marketing Plans for Goodrich Place, Salina Apartments, Lakeside Apartments, Rosewood Courts and Santa Rita Courts**

The purpose of affirmative marketing is to ensure that individuals of similar income levels in the same housing market area have a like range of housing choices available to them regardless of their race, color, national origin, religion, sex disability or familial status (PIH Notice 2012-32). HUD requires all RAD applicants to provide proof of submission of an Affirmative Fair Housing Marketing Plan (AFHMP). HACA conducted a review of the demographic information for each property and waiting list. This was compared to the same data points for the census tract, Travis County and the Metropolitan Statistical Area (Austin-Round Rock). Based on each comparison, HACA determined which group(s) would be less likely to apply and developed a marketing plan for each identified group. HACA is committed to the letter and intent of the Fair Housing Act. HACA understands and embraces its responsibility to affirmatively further fair housing. HACA commits to exceed the requirements in order to serve populations who are diverse, of low income and of the highest need. A commitment to compliance and enforcement of the basic requirements are also extended to employment at HACA and incorporated into all aspects of our training programs. HACA will conduct targeted and affirmative marketing to groups identified by the reviews.

**Commissioner Carrington** moved to approve Resolution 2539: Approval of the Affirmative Fair Housing Marketing Plans for Goodrich Place, Salina Apartments, Lakeside Apartments, Rosewood Courts and Santa Rita Courts. **Commissioner Apostolou** seconded the motion. The motion passed. (5-Ayes and 0-Nays)

**ITEM 6: Discussion and Presentation of an amendment to HACA's Administrative Plan to project-base Housing Choice Vouchers and HUD-VASH vouchers as part of a redevelopment of Chalmers Courts**

HACA's Housing Choice Voucher Program Administrative Plan authorizes HACA to project-base up to 200 tenant-based vouchers. HUD regulations allow communities participating in the Housing Choice Voucher Program to project-base up to 20 percent of its allocated vouchers. HACA currently has agreed to project-base 25 Housing Choice Vouchers and 25 HUD-VASH project-based vouchers to Austin Travis County Integral Care for the development of Housing First Oak Springs and 25 HUD-VASH project-based vouchers to Elysium Grand, a property being developed by Saigebrook Development and LDG Development. Recently updated HUD regulations outlined in the Federal Register Notice dated January 18, 2017, allow Housing Authorities to project-base vouchers for RAD conversions without following the competitive Request for Proposal process. The intent of this regulation is to give Housing Authorities maximum flexibility as they work to rehabilitate or redevelop their public housing stock. This flexibility is warranted given the lower income levels served by Public Housing Authorities. HACA updated this policy in the Housing Choice Voucher Administrative Plan approved by the Board on December 21, 2017. Under this policy, if HACA decides to project-base vouchers for RAD conversions, an amendment to the HCV Administrative plan is required describing the work it plans to do on the property and how many project-based units it intends to add to the site. HACA has determined as part of its redevelopment of its Chalmers Courts public housing property that there is an excellent opportunity to further meet the needs of lower income families and individuals in Austin through the placement of project-based Housing Choice Vouchers and/or HUD-VASH vouchers at the property. HACA is currently working to redevelop Chalmers Courts, beginning with new units being created south of the existing Chalmers Courts site. Construction of these new units will precede a redevelopment of the east side and west side of Chalmers. Staff is currently working to identify the appropriate number of Housing Choice Vouchers and/or HUD-VASH vouchers that could be project-based at the site. This number shall not exceed 81 Housing Choice Vouchers. An appropriate number of HUD-VASH vouchers serving homeless veterans shall be determined as the project moves forward. Once determined by staff, all final decisions regarding the project-basing of Housing Choice Vouchers and HUD-VASH vouchers will be brought to the Board in February for approval.

**EXECUTIVE SESSION**

The Board of Directors recessed into Executive Session at 1:48 p.m.

The Board returned to Open Session at 3:53 p.m. No action was taken.

**REPORTS**

The Board accepts the following reports from the President:

- **President's Report:**  
No reports were presented.

**ADJOURNMENT**

**Commissioner Carrington** moved to adjourn the meeting. **Commissioner Apostolou** seconded the motion. The motion passed unanimously. The meeting adjourned at 3:56 p.m.

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**Michael G. Gerber, Secretary**

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**Carl S. Richie, Jr., Chairperson**

# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### RESOLUTION NO. 2540

#### HUMAN RESOURCES

#### ITEM NO. 2.

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**MEETING DATE:** February 15, 2018

**STAFF CONTACT:** Gloria Morgan, Human Resources Director

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 2540:  
Approval of a renewal of a Contract for Employee Medical Insurance

**BUDGETED ITEM:** Yes

**TOTAL COST:** \$3,344,375.00/year

#### **ACTION**

The Board is being asked to approve the renewal of the Contract for Employee Medical Insurance with United Healthcare.

#### **SUMMARY**

##### ***Background:***

As part of its compensation package, The Housing Authority of the City of Austin currently offers its regular full-time employees medical coverage through United Healthcare's Exclusive Provider Organization (EPO) plan. This is the second year renewal of a four (4) year contract that was awarded to United Healthcare.

##### ***Process:***

On November 13, 2017, HACA staff met with the Gallagher Group, HACA's insurance brokers, to discuss the upcoming insurance renewal for the 2018-19 fiscal year. United Healthcare initially proposed a 19.8% premium rate increase for HACA's medical coverage. After a series of negotiations between United Healthcare and The Gallagher Group, United decreased the proposed premium rate to a 15.2% overall increase. Through additional negotiations, and based on further review of HACA's demographics and claims experience, United Healthcare ultimately proposed a 5% rate increase in premiums.

Due to revisions to the plan structure last year, HACA did not receive a rate increase. HACA believes the proposed 5% rate increase is reasonable. The incurred expense will be shared by HACA and employees. In addition, 2 years ago, HACA imposed a \$25 per month surcharge for employees who choose to continue to use tobacco products. For fiscal year 2018-19 the surcharge will increase to \$50 per month. Employees may participate and complete a tobacco cessation program if they wish to avoid the surcharge.

##### ***Staff Recommendation:***



In an effort to provide employees with the best affordable, available health coverage, HACA recommends United Healthcare be awarded the renewal contract to provide employee health insurance coverage for the 2018-19 fiscal year.

**ATTACHMENTS:**

- ▣ **Current & Proposed Medical Premiums**
- ▣ **Claims Vs. Premiums Report**

**RESOLUTION NO. 2540**

**Approval of the Renewal of Contract for Employee Medical Insurance**

**WHEREAS**, the Housing Authority of the City of Austin seeks to provide insurance coverage benefits for all regular full-time employees,

**WHEREAS**, the Housing Authority of the City of Austin recommends acceptance of the renewal rate for employee medical insurance coverage to be provided by United Healthcare.

**NOW, THEREFORE, BE IT RESOLVED**, the Housing Authority of the City of Austin Board of Commissioners agrees to renew the contract with United Healthcare to provide health insurance coverage for all regular full-time employees of the Housing Authority of the City of Austin, the Southwest Housing Compliance Corporation, Blueprint Consulting, Austin Affordable Housing Corporation and Austin Pathways.

**PASSED, APPROVED AND ADOPTED** this 15th day of February 2018.

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**Michael G. Gerber, Secretary**

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**Carl S. Richie, Jr. Chairperson**

## UnitedHealthcare

## Medical Proposed Rates with Alternate Plan Designs

**Customer Name:** THE HOUSING AUTHORITY OF THE CITY OF AUSTIN  
**Medical Policy:** 00712040  
**Renewal Date:** April 1, 2018

• The numbers below are on an illustrative basis. Rates are subject to Underwriting approval.

Option 1: Current	
AG-19 (Premier/Emb/PVY/2016) Rx Plan: H9	
<b>Plan Name</b>	
Product	Choice Insurance *
Option	AG19; H9
Plan Offering	Single Option
Multiple Option with:	Option(s) N/A
HRA or HSA	No
<b>Benefits*</b>	<b>Network Single/Family</b>
Office Copay (PCP/SPC)	PCP \$25, SPC \$25/\$50
Hospital Copays	OP N/A, IP N/A
UC/ER/Major Diag Copay	UC \$75, ER \$300, MD N/A
Other	(PCP \$0 if <19); ENRP
Deductible	\$500/\$1000 (Emb)
Coinsurance	100%
Out-of-Pocket	\$2000/\$4000
Pharmacy	\$10/30/50; 2.5x for M.O.
	<b>Out of Network Single/Family</b>
Deductible	N/A
Coinsurance	N/A
Out of Pocket	N/A
<b>Enrollment</b>	
Employee	101
Employee + 1	71
Employee + Family	66
Total	238
	<b>Rates (Billed)</b>
<b>Rates</b>	<b>Current</b> <b>Proposed</b>
Employee	\$600.29 <b>\$630.30</b>
Employee + 1	\$1,182.55 <b>\$1,241.67</b>
Employee + Family	\$1,830.88 <b>\$1,922.41</b>
<b>Monthly Cost</b>	\$265,428 <b>\$278,698</b>
<b>Annual Cost</b>	\$3,185,141 <b>\$3,344,375</b>
<b>Change from Current</b>	<b>5.0%</b>

\*High level benefit summary. Please see your plan summary for more detailed benefit description.

POD = Benefit paid as follows: Per Occurrence Deductible, then plan deductible and coinsurance.

LTD # = the number of services covered at that copay, after the limit plan deductible and coinsurance will apply, note PCP and SPC may be combined (see benefit summary)

Day x# = the max number of days the copay will apply

For markets moving to service fees, current rates (for renewals only) include commission expenses. Proposed rates, for your convenience, include any applicable producer service fees. Producer service fees are not a contingency of obtaining insurance coverage but are fees agreed to between you (client) and your producer/service provider for service rendered on behalf of client.

For markets continuing to pay commissions, both the current (applicable for renewals only) and proposed rates include commissions.

## UnitedHealthcare

### Medical Quote Assumptions

**Customer Name:** THE HOUSING AUTHORITY OF THE CITY OF AUSTIN  
**Medical Policy:** 00712040  
**Renewal Date:** April 1, 2018

*The rates quoted here are based on the following assumptions. Changes to these assumptions may result in an adjustment to rates.*

#### Medical Quote Assumptions

- Rates are guaranteed for the contract period of 4/1/18 through 3/31/19.
- Rates are based on your submitted census. UnitedHealthcare reserves the right to adjust the rates from audit date back to effective date if any of the following changes:
  - Enrollment +/- 10%
  - Average Contract Size +/- 10%
  - Area Factor +/- 7.5%
  - Age/Sex Factor +/- 10%
  - Any Material Changes
  - Cobra enrollees are more than 10% of enrollment
- Employer contributes a minimum of 100% toward the employee only rates and 50% toward the dependent rates.
- Requires a minimum participation level of <Enter>.
- INS-Choice plans are not available for subscribers in AL, AR, AZ, HI, KS, LA, MN, MS, MT, NC, NM, OK.
- UnitedHealthcare will work exclusively with the broker designated when an agent of record letter is issued by the prospective client.
- Unless otherwise stated, this offer replaces and renders all previous offers null and void.
- UnitedHealthcare reserves the right to re-rate if Underwriting has not received written confirmation of renewal by April 1, 2018.
- Medical Benefits include Infertility Coverage
- Quote includes UHC fulfilled Simply Engaged (not available with UHC Motion).
- UnitedHealthcare reserves the right to adjust the rates and/or fees (i) in the event of any changes in federal, state or other applicable legislation or regulation; (ii) in the event of any changes in Plan design required by the applicable regulatory authority (i.e. mandated benefits) or by the Plan Sponsor; and (iii) as otherwise permitted in our policy.
- This premium may include state and federal taxes and fees.
- Premium rates and/or product forms included herein are subject to approval by regulators. If rates or product forms offered herein are subsequently modified by regulators we will immediately advise you of the change in plan design and retroactively adjust premium in subsequent billings.
- Plan design and corresponding premium rates offered herein represent a coverage option that is consistent with your current group size (based on most recent census or survey information) and closely matches your current coverage. Additional coverage options may be available to you.
- At your request, a service fee to be paid to your producer/service agent of 2.50% has been added as an expense item in sites where service fees apply.
- Agents may receive commissions and other compensation from us and these costs may be reflected in your premium or fee. Separately, you may have contracted with producers to provide services directly for your group and have agreed to pay them a 'service fee'. Since 'service fees' are not a contingency of the purchase of health insurance such fees are not part of your premium but may be included in your bill under total amount due.

## UnitedHealthcare

## Financial Exhibits - Medical

**Customer Name:** THE HOUSING AUTHORITY OF THE CITY OF AUSTIN  
**Medical Policy:** 00712040  
**Renewal Date:** April 1, 2018

Renewal rates effective: 4/1/18 to 3/31/19

Historical Information	Current Period	Prior Period	Blended
Beginning of Experience Period	10/01/2016	10/01/2015	
End of Experience Period	09/30/2017	09/30/2016	
Medical Incurred Claims	\$1,839,038	\$1,925,458	
Rx Incurred Claims	\$618,368	\$431,400	
Member Months	5,963	5,501	
<b>Experience Rating PMPM</b>			
A Incurred Medical Claims PMPM	\$308.41	\$350.02	
B Pooled Claims Over \$100,000	\$16.95	\$15.34	
C Adjusted Medical Claims (A - B)	\$291.46	\$334.68	
D Incurred Rx Claims PMPM	\$103.70	\$78.42	
E Total Incurred Claims (C + D)	\$395.16	\$413.10	
F Trend Factor (Current 18 mos, Prior 30 mos)	1.152	1.266	
G Plan Change Adjustment	0.951	0.887	
H Trended/Adjusted Claims (E * F * G)	\$432.85	\$464.17	
I Claim Period Weighting	70%	30%	\$442.25
J Adj for Member Change Between Plans			1.000
K Pooling charge for \$100,000			\$56.92
L Expected claims (I * J + K)			\$499.16
<u>Retention:</u>			
M Administration			13.0%
N State Taxes and Assessments			2.9%
O Other adjustment			0.0%
P Total retention (M + N + O)			15.9%
<b>Q Experience Premium PMPM (L / (1 - P))</b>			<b>\$593.54</b>
<b>Manual Rating PMPM</b>			
R Manual Premium PMPM (unadjusted)			\$614.51
S Age/Sex Adjustment			1.011
T Other Adjustment			1.000
<b>U Manual Premium PMPM (R * S * T)</b>			<b>\$621.55</b>
<b>Renewal Action</b>			
	Calculated Premium	Credibility Factor	
V Experience Rating	\$593.54	x 89.7%	\$532.40
W Manual Rating	\$621.55	x 10.3%	\$64.02
X Initial Calculated Renewal Cost PMPM (V + W)			\$596.42
Y Other Adjustment			1.000
<b>Z PMPM Prior to Reform Items, Commission, Fees (X * Y)</b>			<b>\$596.42</b>
Renewal Prior to Reform Items, Commission, Fees			<b>14.82%</b>
<b>AA Required Plan Change (Reform/Other)</b>			<b>1.000</b>
<b>AB PPACA PCORI and Reinsurance Fee PMPM (if applicable)</b>			<b>\$0.20</b>
<b>AC PPACA Insurer Fee</b>			<b>3.23%</b>
AD Additional Program Amount			\$0.00
AE Commission %			0.00%
AF Service Fee			1.0250
AG Commission or Service Fee PEPM (converted to PMPM)			\$0.00
<b>AH Calculated Renewal Cost PMPM (((Z * AA + AB) / (1-AC) + AD) * (1+AE) * AF) + AG)</b>			<b>\$631.92</b>
AI Current Revenue PMPM			\$519.43
AJ Calculated Renewal Action (AH / AI) - 1			21.66%
AK Suggested Renewal Action			5.00%
AL Prospective Plan Change			1.000
<b>AM Final Renewal Action (AI * (1+AK) * AL / AI) - 1)</b>			<b>5.00%</b>
Current Subscribers	238	<b>Final Renewal Cost PMPM</b>	<b>\$545.40</b>
Current Members	511	Final Renewal Monthly Cost	\$278,698
		Final Renewal Annual Cost	\$3,344,375

\*Annual trend rate: Medical 9.9%, Rx 9.9%

Final renewal monthly/annual premiums are calculated using current enrollment

Rates and benefits are subject to regulatory and home office approval

**UnitedHealthcare**  
**Premium vs Claims Incurred**

**Customer Name:** THE HOUSING AUTHORITY OF THE CITY OF AUSTIN  
**Medical Policy:** 00712040  
**Renewal Date:** April 1, 2018

*Please note: For markets moving to service fees, premiums are shown with service fees included. For markets continuing to pay commissions, premium still includes commissions.*

Month/Year	Members	Subscribers	Premium	Premium PMPM	Medical Payments	Capitation Payments	Managed Pharmacy Payments	Total Payments	Claims to Premium Ratio	Total Payments PMPM	12 Month Rolling Average PMPM
10-2015	449	209	\$225,397	\$502.00	\$147,263	\$5,543	\$32,424	\$185,230	82.2%	\$412.54	
11-2015	453	211	\$225,972	\$498.83	\$141,007	\$5,555	\$36,295	\$182,857	80.9%	\$403.66	
12-2015	451	210	\$226,593	\$502.42	\$124,954	\$5,567	\$34,225	\$164,746	72.7%	\$365.29	
1-2016	449	210	\$224,840	\$500.76	\$214,431	\$5,636	\$32,442	\$252,509	112.3%	\$562.38	
2-2016	457	215	\$227,759	\$498.38	\$166,957	\$5,711	\$36,603	\$209,271	91.9%	\$457.92	
3-2016	454	213	\$229,000	\$504.41	\$253,420	\$5,736	\$37,524	\$296,680	129.6%	\$653.48	
4-2016	460	214	\$242,063	\$526.22	\$126,522	\$5,812	\$28,766	\$161,100	66.6%	\$350.22	
5-2016	452	210	\$238,432	\$527.50	\$114,170	\$5,724	\$37,385	\$157,279	66.0%	\$347.96	
6-2016	456	214	\$240,767	\$528.00	\$130,762	\$5,774	\$37,912	\$174,448	72.5%	\$382.56	
7-2016	468	220	\$247,345	\$528.51	\$151,528	\$5,925	\$33,129	\$190,582	77.1%	\$407.23	
8-2016	476	224	\$250,328	\$525.90	\$124,328	\$6,013	\$43,028	\$173,369	69.3%	\$364.22	
9-2016	476	223	\$249,128	\$523.38	\$161,132	\$5,988	\$41,667	\$208,787	83.8%	\$438.63	\$428.44
10-2016	481	224	\$251,541	\$522.95	\$150,899	\$6,051	\$39,741	\$196,691	78.2%	\$408.92	\$428.04
11-2016	499	232	\$259,968	\$520.98	\$126,880	\$6,252	\$46,279	\$179,411	69.0%	\$359.54	\$423.89
12-2016	498	234	\$260,520	\$523.13	\$200,245	\$6,227	\$47,206	\$253,678	97.4%	\$509.39	\$436.15
1-2017	486	229	\$255,724	\$526.18	\$149,157	\$7,076	\$38,287	\$194,520	76.1%	\$400.25	\$423.06
2-2017	492	232	\$259,337	\$527.11	\$145,659	\$7,163	\$39,978	\$192,800	74.3%	\$391.87	\$417.58
3-2017	501	238	\$265,267	\$529.48	\$164,802	\$7,309	\$67,503	\$239,614	90.3%	\$478.27	\$404.23
4-2017	497	234	\$263,543	\$530.27	\$190,064	\$7,236	\$57,452	\$254,752	96.7%	\$512.58	\$417.84
5-2017	496	237	\$262,883	\$530.01	\$134,378	\$7,221	\$64,612	\$206,211	78.4%	\$415.75	\$423.08
6-2017	497	239	\$263,435	\$530.05	\$121,788	\$7,236	\$47,319	\$176,343	66.9%	\$354.81	\$420.45
7-2017	506	242	\$268,994	\$531.61	\$112,621	\$7,367	\$65,761	\$185,749	69.1%	\$367.09	\$416.92
8-2017	508	243	\$268,994	\$529.52	\$167,689	\$7,367	\$62,831	\$237,887	88.4%	\$468.28	\$425.54
9-2017	502	239	\$266,029	\$529.94	\$91,057	\$7,294	\$41,399	\$139,750	52.5%	\$278.39	\$412.11

**Total by Experience Period**

Current Period	5,963	2,823	\$3,146,235		\$1,755,239	\$83,799	\$618,368	\$2,457,406	78.1%	\$412.11	
Prior Period	5,501	2,573	\$2,827,624		\$1,856,474	\$68,984	\$431,400	\$2,356,858	83.4%	\$428.44	

**Average Membership/PMPM Premium and Payments by Experience Period**

Current Period	497	235	\$527.63		\$294.36	\$14.05	\$103.70	\$412.11			
Prior Period	458	214	\$514.02		\$337.48	\$12.54	\$78.42	\$428.44			

**% Change**

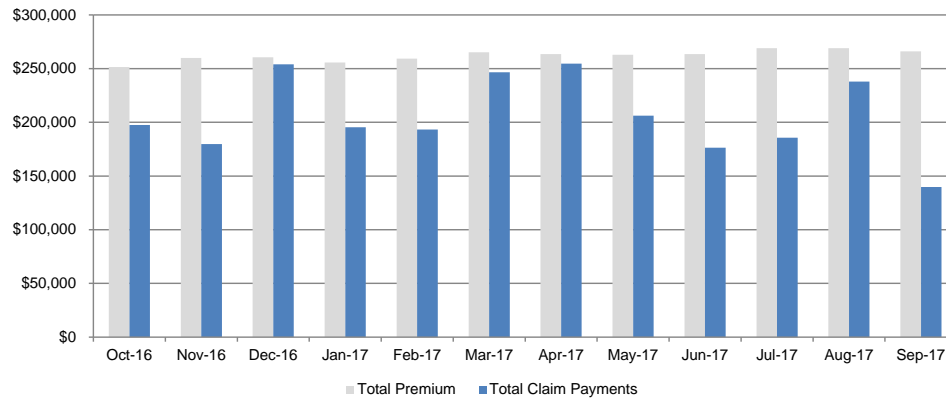
Current Period vs Prior Period	8.4%	9.7%	2.6%		(12.8%)	12.1%	32.2%	(3.8%)			
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**Comments:**

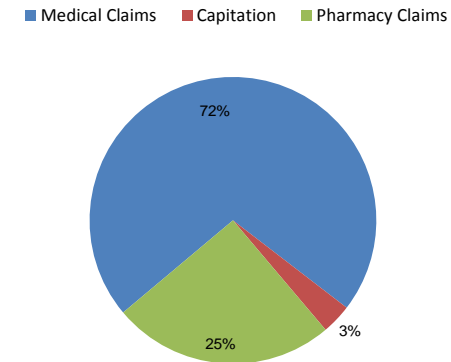
Carrier: United HealthCare  
Plan Year: 4/1/2017 - 3/31/2018

Incurred Month	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	YTD	Total Rolling 12
<b>Enrollment</b>														
Subscribers	224	232	234	229	232	238	234	237	239	242	243	239	1,434	2,823
Members	481	499	498	486	492	501	497	496	497	506	508	502	3,006	5,963
Contract Size	2.15	2.15	2.13	2.12	2.12	2.11	2.12	2.09	2.08	2.09	2.09	2.10	2.10	2.11
<b>Claim Payments</b>														
Medical Claims	\$151,701	\$127,323	\$200,502	\$150,037	\$146,084	\$171,642	\$190,064	\$134,378	\$121,788	\$112,621	\$167,689	\$91,057	\$817,596	\$1,764,884
Capitation	\$6,051	\$6,252	\$6,227	\$7,076	\$7,163	\$7,309	\$7,236	\$7,221	\$7,236	\$7,367	\$7,367	\$7,294	\$43,721	\$83,799
Pharmacy Claims	\$39,753	\$46,292	\$47,225	\$38,302	\$39,994	\$67,557	\$57,452	\$64,612	\$47,319	\$65,761	\$62,831	\$41,399	\$339,375	\$618,499
<b>Total Claim Payments</b>	<b>\$197,505</b>	<b>\$179,867</b>	<b>\$253,954</b>	<b>\$195,415</b>	<b>\$193,242</b>	<b>\$246,508</b>	<b>\$254,752</b>	<b>\$206,211</b>	<b>\$176,343</b>	<b>\$185,749</b>	<b>\$237,887</b>	<b>\$139,750</b>	<b>\$1,200,691</b>	<b>\$2,467,182</b>
<b>Claim Payments PEPM</b>	<b>\$881.72</b>	<b>\$775.29</b>	<b>\$1,085.27</b>	<b>\$853.34</b>	<b>\$832.94</b>	<b>\$1,035.75</b>	<b>\$1,088.68</b>	<b>\$870.09</b>	<b>\$737.84</b>	<b>\$767.56</b>	<b>\$978.96</b>	<b>\$584.73</b>	<b>\$837.30</b>	<b>\$873.96</b>
<b>Total Premium</b>	<b>\$251,541</b>	<b>\$259,968</b>	<b>\$260,520</b>	<b>\$255,724</b>	<b>\$259,337</b>	<b>\$265,267</b>	<b>\$263,543</b>	<b>\$262,883</b>	<b>\$263,435</b>	<b>\$268,994</b>	<b>\$268,994</b>	<b>\$266,029</b>	<b>\$1,593,879</b>	<b>\$3,146,235</b>
<b>Premium PEPM</b>	<b>\$1,122.95</b>	<b>\$1,120.55</b>	<b>\$1,113.33</b>	<b>\$1,116.70</b>	<b>\$1,117.83</b>	<b>\$1,114.57</b>	<b>\$1,126.25</b>	<b>\$1,109.21</b>	<b>\$1,102.24</b>	<b>\$1,111.55</b>	<b>\$1,106.97</b>	<b>\$1,113.09</b>	<b>\$1,111.49</b>	<b>\$1,114.50</b>
<b>Premium vs. Claims</b>	<b>78.5%</b>	<b>69.2%</b>	<b>97.5%</b>	<b>76.4%</b>	<b>74.5%</b>	<b>92.9%</b>	<b>96.7%</b>	<b>78.4%</b>	<b>66.9%</b>	<b>69.1%</b>	<b>88.4%</b>	<b>52.5%</b>	<b>75.3%</b>	<b>78.4%</b>

Plan Experience by Month



Total Claim Payments



†This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.



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# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### RESOLUTION NO. 2541

#### HUMAN RESOURCES

#### ITEM NO. 3.

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**MEETING DATE:** February 15, 2018

**STAFF CONTACT:** Gloria Morgan, Human Resources Director

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 2541:  
Approval of the renewal of Contract for Employee Dental Insurance

**BUDGETED ITEM:** Yes

**TOTAL COST:** \$125,900.00

### **ACTION**

The Board is being asked to approve the renewal of Contract for Employee Dental Insurance with United Healthcare.

### **SUMMARY**

#### ***Background:***

The Housing Authority of the City of Austin currently provides employees with two options for dental coverage through United Healthcare: a Dental Maintenance Organization (DHMO) and a Preferred Provider Plan (PPO), a buy-up plan. This is HACA's second year renewal under the current four (4) year contract with United Healthcare.

#### ***Process:***

On November 13, 2017, HACA staff met with the Gallagher Group, HACA's insurance brokers, regarding the renewal rates from United Healthcare for HACA's dental insurance coverage. HACA was informed that there would be no increase to the DHMO plan for the 2018-19 plan year.

United Healthcare had initially proposed a 4% premium increase to the PPO/ buy up plan. After reviewing the proposed rates submitted by United Healthcare, Gallagher discovered that employees are currently paying a slightly higher premium than the proposed renewal rates. Accepting the proposed rates will result in a slight decrease in PPO premiums for employees enrolled in this plan as well as for HACA.

#### ***Staff Recommendation:***

In order to continue to provide employees with the best available and affordable dental coverage and based on no increases to renewal rates provided by United Healthcare, the agency recommends that United Healthcare be awarded the renewal contract to provide employee dental insurance coverage for the 2018-19 fiscal year.

## **ATTACHMENTS:**

- ▣ **2018 Dental Renewal Rates**
- ▣ **2017 Dental Renewal Rates**

**RESOLUTION NO. 2541**

**Approval of Renewal of Contract for Employee Dental Insurance**

**WHEREAS**, the Housing Authority of the City of Austin seeks to provide medical and dental insurance coverage benefits for all regular full-time employees,

**WHEREAS**, the Housing Authority of the City of Austin has reviewed and recommends the acceptance of the renewal rates for employee dental insurance coverage to be provided by United Healthcare.

**NOW, THEREFORE, BE IT RESOLVED**, the Housing Authority of the City of Austin Board of Commissioners agrees to renew the contract with United Healthcare to provide dental insurance coverage for all regular full-time employees of the Housing Authority of the City of Austin, Southwest Housing Compliance Corporation, Blueprint Housing Solutions, Austin Affordable Housing Corporation and Austin Pathways.

**PASSED, APPROVED AND ADOPTED** this 15th day of February 2018.

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**Michael G. Gerber, Secretary**

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**Carl S. Richie, Jr. Chairperson**

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A Renewal for

# **THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

Issued on: January 3, 2018



THE HOUSING AUTHORITY OF THE CITY OF AUSTIN   Dental Sold UAF		
Effective Date: April 1, 2018		
Dental Services	Passive PPO 2P924 CS0	
Legal Entity	UnitedHealthcare Insurance Company (30100)	
	New Standard	
	In NetworkOut of Network	
Diagnostic Service		
Periodic Oral Evaluation	100%	100%
Radiographs	100%	100%
Lab and Other Diagnostic Tests	100%	100%
Preventive Services		
Dental Prophylaxis (Cleaning)	100%	100%
Fluoride Treatment	100%	100%
Sealants	100%	100%
Space Maintainers	100%	100%
Basic Services		
Restorations (Amalgams or Composite)*	80%	80%
Emergency Treatment/General Services	80%	80%
Simple Extractions	80%	80%
Oral Surgery (incl. surgical extractions)	80%	80%
Periodontics	80%	80%
Endodontics	80%	80%
Major Services		
Inlays/Onlays/Crowns	50%	50%
Dentures and Removable Prosthetics	50%	50%
Fixed Partial Dentures (Bridges)	50%	50%
Implants	50%	50%
Orthodontic Services		
Orthodontia	50%	50%
Orthodontia Eligibility	Child Only (Up to Age 19)	
Deductible	\$50/\$150	\$50/\$150
Deductible applies to Prev. & Diag.	No	No
Annual Max	\$2,000	\$2,000
Lifetime Ortho Max	\$1,000	\$1,000
Waiting Period	Major Services - 12 months Orthodontics Services - 12 months New Enrollees Only	
Out of Network Basis	UCR 90th	
PPO Network	Options PPO 30	
CMM–Annual Roll-Over	Yes	
Assumed Enrollment and Rates	Current	Renewal
Employee	42\$40.61	\$42.25
Employee + Spouse	16\$91.88	\$95.59
Employee + Child(ren)	20\$88.68	\$92.26
Employee + Family	21\$139.95	\$145.60
	99	
Monthly Premium	\$7,888.25	\$8,206.74
Annual Premium	\$94,659.00	\$98,480.88
Renewal Action	4.0%	
Employer Contribution	Contributory	
Participation Requirements	75% of Eligible Employees	
Dependent Children Coverage	To Age 26	
Contract Basis	Fully Insured	
Benefit Period Basis	Calendar Year	
Exclusions and Limitations	Standard	
Broker Commissions	10%	
Rate Guarantee	12 Months	
Expiration Date	3/31/2019	
Group Policy #	00712040	

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN   Dental Sold UAF		
Effective Date: April 1, 2018		
Dental Services	DMO D094C	
Legal Entity	National Pacific Dental, Inc. (42004)	
	In NetworkOut of Network	
Diagnostic Service		
Periodic Oral Evaluation		
Radiographs		
Lab and Other Diagnostic Tests	See Copay Schedule	
Preventive Services		
Dental Prophylaxis (Cleaning)		
Fluoride Treatment		
Sealants	See Copay Schedule	
Space Maintainers		
Basic Services		
Restorations (Amalgams or Composite)*		
Emergency Treatment/General Services		
Simple Extractions		
Oral Surgery (incl. surgical extractions)	See Copay Schedule	
Periodontics		
Endodontics		
Major Services		
Inlays/Onlays/Crowns		
Dentures and Removable Prosthetics	See Copay Schedule	
Fixed Partial Dentures (Bridges)		
Orthodontic Services		
Orthodontia	See Copay Schedule	
Orthodontia Eligibility		
Deductible		
Deductible applies to Prev. & Diag.		
Annual Max		
Waiting Period	See Copay Schedule	
Out of Network Basis		
CMM–Annual Roll-Over	No	
Assumed Enrollment and Rates	CurrentRenewal	
Employee	63\$10.42\$10.42	
Employee + Spouse	15\$16.82\$16.82	
Employee + Child(ren)	30\$22.75\$22.75	
Employee + Family	26\$26.68\$26.68	
	134	
Monthly Premium	\$2,284.94\$2,284.94	
Annual Premium	\$27,419.28\$27,419.28	
Renewal Action	0.0%	
Employer Contribution	Contributory	
Participation Requirements	75% of Eligible Employees	
Dependent Children Coverage	To Age 26	
Contract Basis	Fully Insured	
Exclusions and Limitations	Standard	
Broker Commissions	10%	
Rate Guarantee	12 Months	
Expiration Date	3/31/2019	
Group Policy #	00712040	

## General Assumptions

- We reserve the right to change rates and/or plan provisions if the number of lives or volume of insurance change by more than 10% before, on, or after the effective date listed above or if factors used to generate this quote such as group demographics or effective date are changed, found to be incomplete or incorrect.
- Rates assume no changes in legislation or regulation that affects the benefits payable, eligibility or contract.
- Rates assume standard administrative services including Claims & Data processing, Enrollment & Billing, Customer Service, Case Management, Provider Relations, and Reporting.
- Assumed contract situs is Texas.
- Employees must be U.S. citizens or residents regularly working and living in the U.S. Coverage for U.S. citizens working outside of the U.S. must be approved in writing by us. Approval depends on locale and length of assignment.
- Employer's assumed primary business is classified as 9531.
- Rates may increase on renewal in accordance with the terms of the policy.

## Dental Assumptions

This premium may include state and federal taxes and fees.

Rates listed above assume the plan designs quoted. Rates may change, if plan design changes.

Our contract covers only those procedures performed in the United States.

The managed care plans contained in this quote are available to members residing within the approved zip codes. Please contact your sales representative to confirm product availability.

One or more of these plan design offerings include the MaxMultiplier benefit.

Some of the unused portion of your annual maximum may be available in future periods.

Please contact your sales representative for more details on the network quoted in your proposal.

The In- and Out-of-Network Plan Deductibles, Maximums and Lifetime Ortho Maximums are combined.

Participation in qualifying dental and vision plans must be 75 percent or greater of eligible medical employees for Packaged Savings to be activated.

\* Please contact your sales representative to confirm specific plan Restorations (Amalgams or Composite) coverage.

Quote is based on Average Contract Size (ACS) of 2.07

United Healthcare reserves the right to adjust the above rates should enrollment or ACS fluctuate by +/- 10%.

**Please note that the summary of benefits in this document provides a brief description of coverage. State mandates may preclude certain benefit plan design features. This is not a policy, certificate of insurance or coverage document. For complete details on coverage, exclusions, limitations and the terms under which coverage may continue, please contact your sales representative.**

This proposal is valid for 90 days from the issued date, unless otherwise noted within this document.

Brokers and agents may receive commissions, bonuses and other compensation for selling the products presented in this proposal. The cost of this compensation may be directly or indirectly reflected in the premium or fees for those products. Contact your broker and/or agent if you have questions regarding their compensation relating to products in this proposal.

This proposal is subject to negotiation and execution of a written agreement, which will supersede the proposal contents. This proposal does not constitute an agreement, and is based on assumptions made from the written information in our possession and provided by you. We retain the right to modify our proposal if the information upon which this proposal is based is changed or is supplemented.

We consider much of the information contained in the proposal to be proprietary or otherwise confidential, and are releasing this proposal to you on the understanding that you and your representatives will only use it, and any data included in the proposal, for the specific purpose of evaluating its content. If this is not consistent with your understanding, please notify us before reviewing the proposal.

In addition, by accepting and reviewing the contents of this proposal, you and your agents or other designees agree, to the extent permitted by law, that certain information contained herein, or other information provided to you in connection with this proposal response or associated request for proposal (RFP), is proprietary and/or confidential to UnitedHealthcare and its related entities, and may not be copied, used, distributed or disclosed without prior written consent from an authorized representative of UnitedHealthcare, other than is necessary to evaluate this proposal.



**Housing Authority of the City of Austin**  
**Dental Insurance - Fully Insured**  
**Plan Year 2017**

Carrier	UHC		UHC		UHC	
	Current	Renewal	Renewal	Negotiated Renewal	Negotiated Renewal	
Family Deductible	DMO	Buy-Up Plan	DMO	Buy-Up Plan	DMO	
Type I - Diagnostic & Preventive Care Deductible Waived?	\$0	\$150	\$0	\$150	\$0	
Type II - Basic Care	Copays	100%	Copays	100%	Copays	
Type III - Major Care	N/A	Yes	N/A	Yes	N/A	
Calendar Year Maximum	Copays	80%	Copays	80%	Copays	
Max Rollover	Unlimited	\$2,000	Unlimited	\$2,000	Unlimited	
Type IV - Orthodontia	N/A	Included	N/A	Included	N/A	
Orthodontia Deductible	Adults & Children	50%-Children Only	Adults & Children	50%-Children Only	Adults & Children	
Orthodontia Benefit	N/A	Waived	N/A	Waived	N/A	
Orthodontia Lifetime Maximum	Copays	50%	Copays	50%	Copays	
	Up to 24 Months	\$1,000	Up to 24 Months	\$1,000	Up to 24 Months	
Usual and Customary Percentile	N/A	90th Percentile	N/A	90th Percentile	N/A	
Dental Limiting Age	Age 26	Age 26 (Ortho age 19)	Age 26	Age 26 (Ortho age 19)	Age 26	
Waiting Periods	None	None	None	None	None	
Annual Open Enrollment	Yes	Yes	Yes	Yes	Yes	
Employee Rate:	DHMO	Buy-Up Plan	DHMO	Buy-Up Plan	DHMO	
Employee + Spouse Rate:	\$10.97	\$39.78	\$10.97	\$44.13	\$10.97	
Employee + Child(ren) Rate:	\$17.71	\$90.00	\$17.71	\$99.84	\$17.71	
Employee + Family Rate:	\$23.95	\$86.87	\$23.95	\$96.37	\$23.95	
	\$28.09	\$137.09	\$28.09	\$152.08	\$28.09	
Monthly Premium:	\$2,532	\$6,075	\$2,532	\$6,739	\$2,532	
Combined Monthly Premium:						
Change vs. Current \$	\$8,607	\$9,271	\$8,607	\$9,271	\$8,607	
Change vs. Current %	0%	7.72%	0%	7.72%	0%	
Commission	10%	10%	10%	10%	10%	
Change vs. Current %	10%	10%	10%	10%	10%	
Commission		5%				

Enrollment	Low Plan
Employee Only	60
Employee + Spouse	25
Employee + Children	31
Employee + Family	27
<b>TOTAL:</b>	<b>143</b>

Enrollment	High Plan
Employee Only	35
Employee + Spouse	10
Employee + Children	15
Employee + Family	16
<b>TOTAL:</b>	<b>76</b>

**HOUSING AUTHORITY OF THE CITY OF AUSTIN**  
**REPORT**  
**RENTAL ASSISTANCE DEMONSTRATION**  
**ITEM NO. 4.**

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**MEETING DATE:** February 15, 2018

**STAFF CONTACT:** Ann Gass, Director of RAD

**ITEM TITLE:** Update on HACA's Rental Assistance Demonstration Program

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### RESOLUTION NO. 2542

#### RENTAL ASSISTANCE DEMONSTRATION

#### ITEM NO. 5.

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**MEETING DATE:** February 15, 2018

**STAFF CONTACT:** Ann Gass, Director of RAD

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 2542: Approval to proceed with submission of an application for 9% low income housing tax credits for Pathways at Chalmers East to the Texas Department of Housing and Community Affairs (TDHCA)

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### **ACTION**

The Board is being asked to authorize the submission of an application for 9% low income housing tax credits for Pathways at Chalmers East to the Texas Department of Housing and Community Affairs (TDHCA).

#### **SUMMARY**

##### ***Background:***

In October 2016, the U.S. Department of Housing and Urban Development awarded a Commitment to Enter into a Housing Assistance Payments contract (CHAP) for Chalmers Courts East under the Rental Assistance Demonstration (RAD) program. To complete the RAD conversion for Chalmers Courts East, HACA intends to submit an application no later than March 1st to the Texas Department of Housing and Community Affairs (TDHCA) under the 2018 competitive 9% low income housing tax credit program.

If HACA is successful with this application, the current buildings situated on the east parcel of Chalmers Courts will be razed and a new, larger property with additional units and modern amenities will be built in its place. This will significantly improve the quality of life for the residents of Chalmers Courts East and allow HACA to provide more affordable housing through increased density.

##### ***Process:***

In August 2016, the HACA Board of Commissioners approved the selection of Carleton Residential to serve as the developer partner for the redevelopment of Chalmers Courts East. Since then, staff members have been working with Carleton to prepare the application, which is due to TDHCA on March 1. While preparation of the final application is still in progress, several items, including the draft site plan and project summary are included as Exhibits.

Throughout the planning process, HACA has engaged in an extensive resident and stakeholder outreach process to garner input and support for the redevelopment of Chalmers Courts. Staff has worked closely with the East Cesar Chavez Neighborhood Association, Councilmember Sabino Renteria, and most importantly the Chalmers Courts Resident Council to gather feedback, discuss concerns, and provide meaningful opportunities to help shape the design concepts and amenity offerings at the site. HACA has received strong support from residents, the neighborhood, community partners and Austin City Council for our plans to redevelop and increase the number of affordable housing units at Chalmers Courts overall.

***Staff Recommendation:***

Staff recommends the Board authorize submission of the 9%, competitive, low income housing tax credit to the TDHCA for Chalmers Courts East.

**ATTACHMENTS:**

- ▣ **Exhibit 1- Project Summary**
- ▣ **Exhibit 2 - Draft Site Plan**

**RESOLUTION NO. 2542**

**Approval of Submission of an Application for 9% low income housing tax credits for Pathways  
at Chalmers East**

**WHEREAS**, the U.S. Department of HUD awarded a Commitment to Enter into a Housing Assistance Payments Contract (CHAP) for Chalmers Courts East under the Rental Assistance Demonstration (RAD) Program; and

**WHEREAS**, HACA intends to pursue the conversion to RAD and the redevelopment of Chalmers Courts East using the 9%, competitive, low income housing tax credit (LIHTC) program; and

**WHEREAS**, the HACA Board of Commissioners approved the selection of Carleton Residential to serve as the developer partner for the redevelopment of Chalmers Courts East; and

**WHEREAS**, a successful LIHTC application as part of the RAD conversion for Chalmers Courts East would enable HACA to significantly improve the quality of life for the residents by providing them with new units with modern amenities, as well as allowing HACA to provide more affordable housing by increasing the number of units at the property.

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Authority of the City of Austin Board of Commissioners authorizes the submission of an application for 9% low income housing tax credits to the Texas Department of Housing and Community Affairs no later than March 1, 2018.

**PASSED, APPROVED and ADOPTED** this 15th day of February, 2018

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**Michael G. Gerber, Secretary**

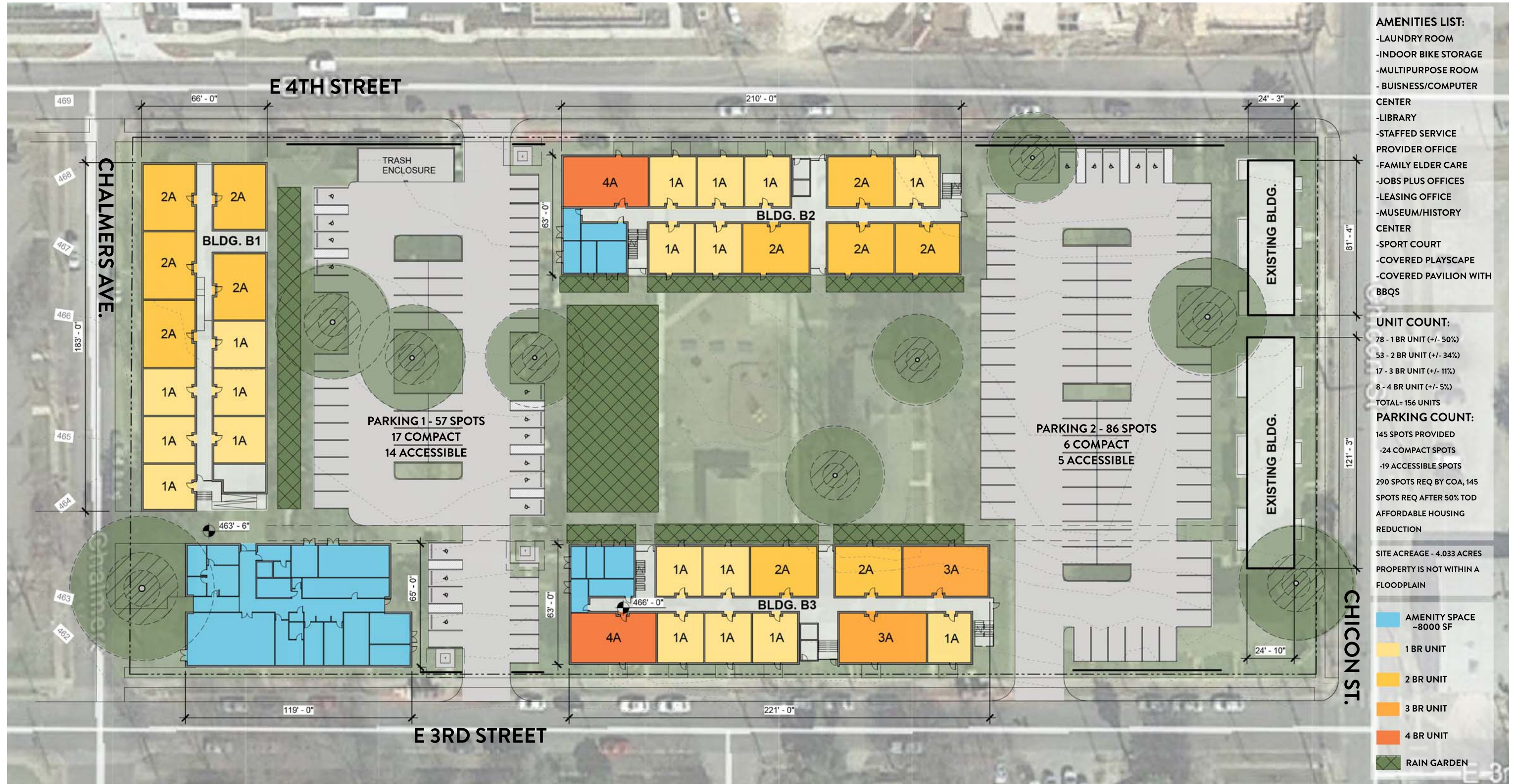
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**Carl S. Richie, Jr. Chairperson**

**Pathways At Chalmers Courts East - 9% Tax Credit**  
*Unit Mix, Pricing & Stabilized Net Operating Income*

<u>Unit Type</u>	<u>Style</u>		<u>Number</u>		<u>Square Footage</u>	<u>Total SQ. FT.</u>	<u>Rent/SQ. FT.</u>	<u>Net of UA Monthly Rent/Unit</u>	<u>Total Monthly Income</u>	<u>Annual Equivalents</u>
A	1B/1B	30% AMI	6	RAD	650	3,900	\$0.88	\$572	3,432	\$41,184
A	1B/1B	50% AMI	28	RAD	650	18,200	\$0.88	\$572	16,016	\$192,192
A	1B/1B	60% AMI	10		650	6,500	\$0.88	\$572	5,720	\$68,640
A	1B/1B	60% AMI	5	TC Only	650	3,250	\$1.32	\$858	4,290	\$51,480
A	1B/1B	60% AMI	13	PBV	650	8,450	\$1.48	\$965	12,545	\$150,540
A	1B/1B	MR	16		650	10,400	\$1.95	\$1,268	20,288	\$243,456
B	2B/1B	30% AMI	5	RAD	900	4,500	\$0.80	\$720	3,600	\$43,200
B	2B/1B	50% AMI	20	RAD	900	18,000	\$0.80	\$720	14,400	\$172,800
B	2B/1B	60% AMI	3	RAD	900	2,700	\$0.80	\$720	2,160	\$25,920
B	2B/1B	60% AMI	0	TC Only	900	0	\$1.14	\$1,025	0	\$0
B	2B/1B	60% AMI	20	PBV	900	18,000	\$1.31	\$1,181	23,620	\$283,440
B	2B/1B	MR	5		900	4,500	\$1.63	\$1,463	7,315	\$87,780
C	3B/2B	30% AMI	2	RAD	1,200	2,400	\$0.81	\$976	1,952	\$23,424
C	3B/2B	50% AMI	5	RAD	1,200	6,000	\$0.81	\$976	4,880	\$58,560
C	3B/2B	60% AMI	10	RAD	1,200	12,000	\$0.81	\$976	9,760	\$117,120
C	3B/2B	60% AMI	0	TC Only	1,200	0	\$0.98	\$1,179	0	\$0
C	3B/2B	60% AMI	0	PBV	1,200	0	\$1.32	\$1,588	0	\$0
C	3B/2B	MR	0		1,200	0	\$1.46	\$1,755	0	\$0
D	4B/2B	30% AMI	1	RAD	1,400	1,400	\$0.84	\$1,182	1,182	\$14,184
D	4B/2B	50% AMI	1	RAD	1,400	1,400	\$0.84	\$1,182	1,182	\$14,184
D	4B/2B	60% AMI	0	RAD	1,400	0	\$0.84	\$1,182	0	\$0
D	4B/2B	60% AMI	0	TC Only	1,400	0	\$0.94	\$1,312	0	\$0
D	4B/2B	60% AMI	6	PBV	1,400	8,400	\$1.37	\$1,913	11,478	\$137,736
D	4B/2B	MR	0		1,400	0	\$1.66	\$2,330	0	\$0
			156		833	130,000	\$1.11	\$922	\$143,820	\$1,725,840
Garages:			0	14 Units @ 30% AMI	8.97%	14 Units @ 30% AMI - PBRA		0	0	0
Car Ports			0	54 Units @ 50% AMI	34.62%	54 Units @ 50% AMI - PBRA		10	0	0
Fireplaces			0	67 Units @ 60% AMI	42.95%	23 Units @ 60% AMI - PBRA		0	0	0
View Premium			0	21 Market Rate	13.46%	68	43.6%			
Pool view			0	156				0	0	0
Vending Telephone			156			78	1BR 50.0%	10	1,560	18,720
				39 - PBV Units		53	2BR 34.0%			
Gross Revenue						17	3BR 10.9%	\$942	\$145,380	\$1,744,560
Vacancy Rate		7.50% (of contract rent)				8	4BR 5.1%		\$10,904	\$130,842
						156	100.0%		\$134,477	\$1,613,718
Net Annual Revenue										
Operating Expenses										
General & Administrative Expenses							\$0.45	379	4,921	59,052
Management Fee							\$0.50	414	5,379	64,549
Payroll							\$1.59	1,324	17,208	206,500
Maintenance Expenses							\$0.58	487	6,333	76,000
Utilities - Electric							\$0.38	321	4,167	50,000
Utilities - W/S/T							\$0.84	696	9,050	108,600
Replacement Reserves							\$0.36	300	3,900	46,800
Insurance							\$0.42	350	4,550	54,600
Taxes							\$0.00	0	0	0
Other Exp (Supportive Services, Cable & Security)							\$0.24	198	2,570	30,840
Compliance							\$0.04	35	450.00	5,400
Total Operating Expenses							\$5.40	\$4,502	\$58,528	\$702,341
Net Operating Income									\$75,948	\$911,377





# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### RESOLUTION NO. 2543

#### ASSISTED HOUSING ITEM NO. 6.

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**MEETING DATE:** February 15, 2018

**STAFF CONTACT:** Lisa Garcia, Vice President of Assisted Housing

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding Resolution No. 2543:  
Approval of revisions to the Housing Choice Voucher Administrative Plan

**BUDGETED ITEM:** No

**TOTAL COST:** N/A

#### **ACTION**

Motion to Approve Resolution No. 2543 adopting revisions to the Housing Choice Voucher Administrative Plan.

#### **SUMMARY**

##### ***Background:***

The Housing Choice Voucher (HCV) Administrative Plan is required by HUD. The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in HACA's agency plan. The Administrative Plan is a supporting document to HACA's agency plan, and is available for public review as required by CFR 24 Part 903. The HACA Board of Commissioners must approve the original policy and any subsequent changes to comply with changes in HUD regulations.

HUD regulations allow communities participating in the Housing Choice Voucher Program to project-base up to 20 percent of its allocated vouchers. HACA's Housing Choice Voucher Program Administrative Plan authorizes HACA to project-base up to 200 tenant-based vouchers. HACA currently has agreed to project-base 25 Housing Choice Vouchers and 25 HUD-VASH project-based vouchers to Austin Travis County Integral Care for the development of Housing First Oak Springs and 25 HUD-VASH project-based vouchers to Elysium Grand, a property being developed by Saigebrook Development and LDG Development.

Recently updated HUD regulations outlined in the Federal Register Notice dated January 18, 2017, allow Housing Authorities to project-base vouchers for RAD conversions without following the competitive Request for Proposal process. The intent of this regulation is to give Housing Authorities maximum flexibility as they work to rehabilitate or redevelop their public housing stock. This flexibility is warranted given the lower income levels served by Public Housing Authorities. HACA updated this policy in the Housing Choice Voucher Administrative Plan approved by the Board on December 21, 2017. Under this policy, if HACA



decides to project-base vouchers for RAD conversions, an amendment to the HCV Administrative plan is required describing the work it plans to do on the property and how many project-based units it intends to add to the site. HACA has determined as part of its redevelopment of its Chalmers Courts public housing property that there is an excellent opportunity to further meet the needs of lower income families and individuals in Austin through the placement of project-based Housing Choice Vouchers and/or HUD-VASH vouchers at the property. HACA is currently working to redevelop Chalmers Courts, beginning with new units being created south of the existing Chalmers Courts site. Construction of these new units will precede a redevelopment of the east side and west side of Chalmers. Staff is currently working to identify the appropriate number of Housing Choice Vouchers and/or HUD-VASH vouchers that could be project-based at the site. This number shall not exceed 81 Housing Choice Vouchers, **including a not-to exceed amount of 39 project based vouchers specifically designated for the Pathways at Chalmers East site.** An appropriate number of HUD-VASH vouchers serving homeless veterans shall be determined as the project moves forward. Once determined by staff, all final decisions regarding the project-basing of Housing Choice Vouchers and HUD-VASH vouchers will be brought to the Board for approval. The proposed changes to the Housing Choice Voucher Administrative Plan are summarized in Attachment 1.

***Process:***

Public Comment: The notice of the proposed changes was publicly posted and sent to Texas RioGrande Legal Aid and the Austin Tenants' Council on January 12, 2018. The 30-day public comment period ended at 5:00 p.m. on February 12, 2018. There were no written comments received.

***Staff Recommendation:***

Staff is asking the Board of Commissioners' approval of revisions to HACA's Housing Choice Voucher Administrative Plan.

**ATTACHMENTS:**

- ▣ **Attachment 1 Affected Section of Housing Choice Voucher Program Administrative Plan**

**RESOLUTION NO. 2543**

**WHEREAS**, the Housing Authority of the City of Austin (HACA) is responsible for administering the Housing Choice Voucher Program; and

**WHEREAS**, the Housing Choice Voucher Program, as mandated by the Department of Housing and Urban Development (HUD), is required to adopt a Housing Choice Voucher Administrative Plan establishing its policies as required under federal regulations; and

**WHEREAS**, the Housing Authority of the City of Austin posted the proposed revisions to the HCV Administrative Plan for public comment beginning on January 12, 2018 and ending at 5:00 p.m. on February 12, 2018; and

**WHEREAS**, The Housing Authority of the City of Austin's Housing Choice Voucher Program seeks to formally adopt the February revised Housing Choice Voucher Administrative Plan to update its policy regarding project-basing vouchers for RAD conversions by describing the work it plans to do with the redevelopment of the Chalmers Courts site and how many project-based units it intends to add to the site, specifically adding a not to exceed amount of 39 project-based vouchers at the Pathways at Chalmers East site;

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Authority of the City of Austin's Board of Commissioners approves and adopts the revised Housing Choice Voucher Administrative Plan.

**PASSED, APPROVED AND ADOPTED** this 15th day of February, 2018.

\_\_\_\_\_  
Carl S. Richie, Jr., Chairperson

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Michael G. Gerber, Secretary

PHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

The PHA may select proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition.

### **Units Selected Non-Competitively [FR Notice 1/18/17]**

For certain public housing projects where the PHA has an ownership interest or control and will spend a minimum amount per unit on rehabilitation or construction, the PHA may select a project without following one of the two processes above.

- This exception applies to projects in which the PHA is engaged in an initiative to improve, develop, or replace a public housing property or site.
- *Ownership interest* means that the PHA or its officers, employees, or agents are in an entity that holds any direct or indirect interest in the building, including, but not limited to an interest as: titleholder; lessee; stockholder; member, or general or limited partner; or a member of a limited liability corporation.
- Further, the PHA must be planning rehabilitation or construction on the project with a minimum of \$25,000 per unit in hard costs.
- The PHA must include in the administrative plan what work it plans to do on the property or site and how many PBV units will be added to the site.

### **PHA Policy**

HACA is currently undertaking a complete redevelopment and expansion of its Chalmers Courts public housing property in east Austin. In accordance with HUD requirements, this redevelopment and expansion will exceed the required minimum of \$25,000 in per unit hard costs. This property is a high priority for HACA - - it is in an area of expanding opportunity that is rapidly gentrifying and where there is a significant need for additional affordable housing to meet the needs of current residents of the area and others moving to Austin. The first phase of the redevelopment is the construction of 86 new affordable housing units south of the existing Chalmers Courts site. Once complete, HACA will relocate residents from either the east or west side of the existing Chalmers Courts site, minimizing displacement and disruption to families. A redevelopment will then begin on either the east or west side of the site. The exact order of redevelopment is dependent on the financing tools which ultimately will be available, including use of the Low Income Housing Tax Credit program.

The east side and west side redevelopments of Chalmers Courts will involve the construction of approximately 160 units on each side. Once fully completed, the new Chalmers Courts - - south, west and east - - will total approximately 400 units, significantly helping address Austin's affordable housing needs.

HACA has determined that the placement of up to 81 project-based Housing Choice Vouchers, as well as the placement of a to-be-determined number of project-based HUD-VASH vouchers, will significantly benefit HACA's ability to meet its mission of serving the lowest income persons in our community, including seniors, persons with disabilities, transitioning homeless, and families with children.

~~HACA may attach PBVs to projects owned by HACA to improve, develop or replace its public housing property through the Rental Assistance Demonstration (RAD) conversion. A description of what work it plans to do on the property or site and how many PBV units will be added to the site would be later defined through an amendment to this administrative plan.~~

### **Solicitation and Selection of PBV Proposals [24 CFR 983.51(c)]**

PHA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

### **HACA Policy**

#### **HACA Request for Proposals for Rehabilitated and Newly Constructed Units**

HACA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the following newspapers and trade journals.

**Austin American Statesman**

**The Austin Chronicle**

**The Villager**

**El Mundo**

**HACA may also advertise the RFPs in other trade journals and industry sources, including electronic advertising, as HACA determines is appropriate for the project.**

In addition, HACA will post the RFP and proposal submission and rating and ranking procedures on its electronic web site.

HACA will publish its advertisement in the newspapers and trade journals mentioned