## NOTICE OF A SPECIAL MEETING PLEASE NOTE NEW MEETING TIME THE REGULAR MEETING TIME HAS BEEN CANCELLED

YOU ARE HEREBY NOTIFIED THAT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ IS TO BE HELD ON WEDNESDAY, DECEMBER 13, 2017 AT 1:00 P.M. AT THE HOUSING AUTHORITY OFFICES LOCATED AT 2931 MISSION STREET, SANTA CRUZ CALIFORNIA 95060

#### HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ AGENDA OF THE SPECIAL BOARD MEETING

- 1. Roll Call
- 2. Consideration of Late Additions and Changes to the Agenda
- 3. Consent Agenda
  - A. Approval of Minutes of Regular Meeting held October 25, 2017
  - B. Delegating Authority and Power to Enter into Housing Assistance Payments (HAP) Contracts to Executive Director
  - C. Program Participant Success Story: Omar
- 4. Oral Communications (All oral communications must be directed to an item <u>not</u> listed on this agenda and must be within the jurisdiction of the Board. Presentations must not exceed three minutes in length. The Board will not take action or respond immediately to any Oral Communication presented, but may choose to follow up at a later time or schedule item for a subsequent agenda. The Board may limit the total amount of time allowed for oral communication). Anyone addressing the Board of Commissioners is asked to complete a card and leave it with the Board secretary so that their names may be accurately recorded in the Minutes.
- 5. Unfinished Business
- 6. New Business
  - A. Section 115 Trust for Unfunded Pension Liability
  - B. Electronic Agenda and/or Board Packet Materials
  - C. Consideration of Waiting List Changes for 2018 Agency Plan
- 7. Written Correspondence
- 8. Report of Executive Director
- 9. Reports from Board Members
  (Board members may report on meetings attended, if any, or other items of interest.)
- 10. Closed Session

#### A. Conference with Legal Counsel - Anticipated Litigation

#### 11. Report on Closed Session

#### 12. Adjournment

\*The Housing Authority complies with the Americans with Disabilities Act. If you are a person with disabilities and you require special assistance in order to participate, please contact the Board secretary at 831-454-9455, ext. 201 at least 72 hours in advance of the meeting in order to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

Spanish language translation is available on an as needed basis. Please make arrangements 72 hours in advance by contacting the Housing Authority at 831-454-9455, ext. 280.

Agendas can be obtained from the Housing Authority of the County of Santa Cruz Administration Department.

#### AGENDA ITEM NO. 1 Roll Call

Chairperson Berg called the meeting to order at 1: 02 p.m. Members present Commissioners Berg, Eligio, Pomerantz, Schiffrin and Schmale (Commissioner Brunner entered the meeting at 1:10 p.m.)

#### **Members Absent**

Commissioner Garcia (excused)

#### **Staff Present**

Jennifer Panetta, Aaron Pomeroy and Courtney Byrd of the Housing Authority

AGENDA ITEM NO. 2 Approval of Minutes of Annual Meeting held September 27, 2017

Commissioner Schmale stated that on page five the word should be "affects" not "effects". The word will be amended in the minutes.

Commissioner Schiffrin moved for approval of the Minutes of the Regular Meeting of September 27, 2017 as amended; Commissioner Pomerantz seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Eligio, Pomerantz, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Brunner and Garcia

ABSTAIN: None

**AGENDA ITEM NO. 3** Consideration of Late Additions or Changes to the Agenda

None.

**AGENDA ITEM NO. 4** Oral Communications

None.

**AGENDA ITEM NO. 6A** Temporary Loans from 41<sup>st</sup> Ave Office Fund

Finance Director Pomeroy explained to the Board that this is a temporary transfer of funds for accounting purposes to avoid negative balances as required by HUD for their yearend reports. The negative balances are only temporary and are the result of the timing of reimbursements in these grant based programs. The total amount of \$516,389.70 will be recorded on June 30, 2017 and will be reversed on July 1, 2017. This is a yearly operating procedure. A discussion followed.

Commissioner Schiffrin moved to authorize the transfer of funds; Commissioner Eligio seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Eligio, Pomerantz, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Brunner and Garcia

ABSTAIN: None

#### AGENDA ITEM NO. 6B Authorize Disposition of Office Equipment

Finance Director Pomeroy explained that this item comes before the Board to write off and dispose of 48 pieces of outdated equipment. This is a yearly operating procedure. These items have already been expensed but are tracked by the Finance Department Staff in the property subsidiary ledger with a zero balance. The items are no longer operational and have been replaced with recent purchases and donated to Grey Bears. A discussion followed.

Commissioner Pomerantz stated that he loves the Grey Bears but questioned if any other agencies were given the chance to accept this donation. Secretary Panetta informed the Board that other agencies were offered the outdated equipment in the past and only the Grey Bears were interested.

Commissioner Schiffrin requested that in the future the "Recommendation" line on the agenda be clearer. Staff will make the "Recommendation" line clearer.

Commissioner Schiffrin made a motion to authorize the disposal of office equipment; Commissioner Pomerantz seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Pomerantz, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Garcia

ABSTAIN: None

#### **AGENDA ITEM NO. 6C** Write off of Tenants Accounts Receivable

Finance Director Pomeroy explained to the Board that these tenant accounts have already been sent to collections due to the fact that they were over 60 days late. Staff would like the Board to authorize write offs in the amount of \$17,898.02. If the collection agency is successful in recovering funds the HA will receive 50%. This is also a yearly operating procedure. Commissioner Pomerantz asked why a tenant might owe money to the Housing Authority. Secretary Panetta informed the Board that there are several reasons. Not declaring income, unauthorized household members being a few. A discussion followed.

Commissioner Schiffrin moved to authorize the write off of tenants accounts receivable in the amount of \$17,898.02; Commissioner Eligio seconded the motion and it was passed by the

following vote:

AYES: Commissioners Berg, Brunner, Eligio, Pomerantz, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Garcia

ABSTAIN: None

Finance Director Pomeroy exited the meeting at 1:25 p.m. with thanks from the Board.

**AGENDA ITEM NO. 6D** Discussion of the Proposed Cancellation of the November 22,

2017 and December 27, 2017 Regular Meetings and the Scheduling of a Special Meeting on December 13, 2017

Secretary Panetta explained to the Board of Commissioners that due to the holidays, it is proposed that the November 22, 2017 Regular Meeting and the December 27, 2017 Regular Meeting be cancelled and that a Special Meeting be called on December 13, 2017. A discussion followed.

Commissioner Brunner moved to adopt the cancellation of the Regular Meetings of November and December and call a Special Meeting on December 13, 2017 at 1:00 p.m.; Commissioner Schiffrin seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Pomerantz, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Garcia

ABSTAIN: None

#### AGENDA ITEM NO. 6E Consent Agenda

Secretary Panetta explained to the Board that the Housing Authority by-laws determine the order of business at the Board of Commissioners meetings. The by-laws include an item for a Consent Agenda. The Board has not historically made practice of utilizing a Consent Agenda, although allowed in the by-laws. Staff seeks direction from the Board about utilizing a Consent Agenda for routine business items selected by the Chair. Any such items may be pulled from the Consent Agenda by any Commissioner during the meeting. Commissioner Schiffrin supports the idea of a Consent Agenda. The routine housekeeping items on this agenda could have been on the Consent Agenda saving time. A discussion followed.

Commissioner Schiffrin moved to add to the Agenda a Consent Agenda; Commissioner Eligio seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Pomerantz, Schiffrin and Schmale

NOES: None

ABSENT: Commissioner Garcia

ABSTAIN: None

#### AGENDA ITEM NO. 6F Buena Vista Migrant Center

Secretary Panetta explained to the Board that last month the Board approved a letter that staff issued to Housing and Community Development (HCD) regarding the 50 mile rule. The Board requested that staff also discuss an additional letter to HCD regarding the 180 day requirement that limits the length of the operating season. Secretary Panetta updated the Board on events that have taken place since the amended approved 50 mile letter was sent to HCD and on the 180 day requirement.

Once the Board approved the 50 mile letter, it was shared with community stake holders. The HA received an update from Mark Stone's office. Assembly Member Stone's office is currently exploring administrative and legislative options, and will continue to work with the Housing Authority.

On the HCD regulations that limit the operation season of migrant centers to 180 days, the Board members had expressed a desire to send an additional letter to HCD, asking them to extend the season. Since the last Board Meeting, the Governor signed Assembly Bill 571, which states that the standard occupancy period and extensions of migrant centers may not exceed 275 days. Per the request of Commissioner Schiffrin, the applicable regulations are included in this Board packet. A discussion followed.

Commissioner Schiffrin thanked Secretary Panetta for supplying the Board with the regulations.

The Board asked Secretary Panetta about the second letter to HCD regarding the 180 day regulation. Secretary Panetta informed the Board that the Office of Migrant Services (OMS) requested that the Housing Authority hold off on sending a letter at this time as guidance will be forthcoming. The Board agreed.

Commissioner Pomerantz thanked staff for updating the Board and requested that staff report back with any new information obtained on this issue.

#### **AGENDA ITEM NO. 6G** Landscaping Chemical Use

Secretary Panetta informed the Board that as requested by the Board of Commissioners, the Housing Authority staff is continuing to explore ways to reduce or eliminate the use of Round Up/Glyphosate at the HA properties. Secretary Panetta thanked Commissioners Garcia and Pomerantz for providing additional information to staff, including a report produced by the City of Irvine regarding the use of alternative weed control products. Based on the information collected, the HA has asked our landscaping company to use one of the products noted in the report (Avenger), for a period of 6 months and evaluate the effectiveness of this product and report back.

As suggested by Commissioner Schiffrin, staff has contacted the County Integrated Pest Management Departmental Advisory Group. We are working with the County Safety Officer Josh Reilly on developing a plan to reduce or eliminate Round Up/Glyphosate from our sites. Staff has also reached out to Steve Tjosvold, who is a UC Extension Advisor and has done some work/research on alternative herbicides. A discussion followed.

Commissioner Pomerantz and the rest of the Board thanked staff for its responsiveness on this matter.

Commissioner Schmale stated that he hopes our landscaping company will still use precaution and use gloves with the product Avenger. Secretary Panetta informed the Board that Paradise will use all proper precautions.

#### AGENDA ITEM NO. 6H Consideration of Waiting List Residency Preference

Secretary Panetta informed the Board that for most of the history of our Agency, the Housing Authority of the County of Santa Cruz (HACSC) has maintained an open waiting list for the Housing Choice Voucher (HCV) program. Over the years, the Public Housing Authorities (PHAs) on the Central Coast and Bay Area closed their HCV waiting lists. For many years HACSC was the only open list in the region. Gradually, our waiting list became imbalanced under-representing the residents of Santa Cruz County.

Staff has been evaluating the potential impacts of a residency preference. This information, along with a staff recommendation, will be provided to the Board at the December meeting. A discussion followed.

#### AGENDA ITEM NO. 7 Written Correspondence

None.

#### AGENDA ITEM NO. 8 Report of Executive Director

Executive Director Panetta informed the Board that the financials for September and a comparison against our approved budget (s) FY 2017-2018 is included in this month's Board Packet.

Executive Director Panetta updated the Board on the FMR study.

Executive Director Panetta informed the Board that the Housing Authority has established a new email update subscription on our website.

Executive Director Panetta informed the Board that Affordable Housing Week is upon us and the Housing Authority will be attending and participating in multiple events.

Executive Director Panetta gave the Board a legislative update.

#### AGENDA ITEM NO. 9 Reports from Board Members

Commissioner Pomerantz asked Secretary Panetta if the Housing Authority would see any of the \$752,000 of federal grant funds that Congressman Jimmy Panetta announced Santa Cruz would receive from HUD. Secretary Panetta explained that the Housing Authority would not be receiving or managing these block grant funds.

Commissioner Brunner informed the Board that she attended the St. Stephen's opening.

Commissioner Pomerantz would like to revisit using electronic Board packets. Secretary Panetta will bring this back as an agenda item.

Deputy Director Failor entered the meeting at 2:27 p.m.

The Board of Commissioner entered Closed Session at 2:29 p.m.

#### AGENDA ITEM NO. 10 Closed Session

A. Real Property Discussion

The Board of Commissioner exited Closed Session a 2:57 p.m.

#### AGENDA ITEM NO.11 Report on Closed Session

No action taken.

#### AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 2:59 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Thirteenth day of December, 2017.

		Chairperson of the Authority
ATTEST:	Secretary	
17:mins10		

#### **AGENDA ITEM SUMMARY**

**MEETING DATE:** December 13, 2017 **ITEM NUMBER:** 3B

**FROM:** Executive Director

**SUBJECT:** Delegating Authority and Power to Enter into Housing Assistance Payments (HAP)

Contracts to Executive Director

**RECOMMENDATION:** Adopt Resolution No. 2017-12: Delegating Authority and Power to Enter into Housing Assistance Payments (HAP) Contracts to Executive Director

#### **BACKGROUND SUMMARY:**

The Housing Authority of the County of Santa Cruz administers a Project Based Voucher program and enters into Housing Assistance Payments ("HAP") contracts with property owners from time-to-time. The Executive Director employment contract states that the Executive Director is "authorized to sign releases, receipts, and similar documents on behalf of the Employer." Additionally, the contract states that the Executive Director "shall have authority to enter into any contract on behalf of the Employer within the limitations set forth in the Procurement Policy and Employer's Bylaws." However, the execution of HAP contracts is not addressed in the Procurement Policy or Bylaws.

At this time, staff requests that the Board formally delegate this authority to the Executive Director.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

## BEFORE THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

#### **RESOLUTION NO. 2017-12**

On the motion of Commissioner Duly seconded by Commissioner The Following Resolution is Adopted:

## RESOLUTION DELEGATING AUTHORITY AND POWER TO ENTER INTO HOUSING ASSISTANCE PAYMENTS (HAP) CONTRACTS TO EXECUTIVE DIRECTOR

**WHEREAS**, the Housing Authority of the County of Santa Cruz ("HACSC") administers a Project Based Voucher program and enters into Housing Assistance Payments ("HAP") contracts with property owners from time-to-time;

**WHEREAS**, California Health and Safety Code section 34275 vests the powers of HACSC in the Board of Commissioners ("Board");

**WHEREAS**, California Health and Safety Code section 34280 provides that a housing authority "may delegate to one or more of its agents or employees the powers or duties it deems proper;" and,

**WHEREAS**, the Board desires to formally delegate the power to enter into HAP contracts to the Executive Director and/or her/his designee.

#### **NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The Board hereby delegates the authority and power to enter into HAP contracts on behalf of HACSC to the Executive Director and/or her/his designee.

**BE IT FURTHER RESOLVED** that this delegation of authority and power shall be valid until such time the Board takes action to rescind or otherwise modify this Resolution.

**PASSED AND ADOPTED** by the Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this Thirteenth day of December, 2017, by the following vote:

AYES: NOES: ABSENT:	
ATTEST:	Chairperson of the Authority
Secretary of the Authority	

#### **AGENDA ITEM SUMMARY**

**MEETING DATE:** December 13, 2017 **ITEM NUMBER:** 3C

**FROM:** Executive Director

**SUBJECT:** Program Participant Success Story: Omar

**RECOMMENDATION:** Review

**BACKGROUND SUMMARY:** The following information is provided to highlight the success of an individual in our Low Income Public Housing Program that is also participating in the Family Self Sufficiency Program. Each December, staff highlights the story of a participant to share with the Board. These stories may appear in future agency reports or other agency materials.

#### A Low-Income Public Housing Family Self Sufficiency Success Story

"Omar doubled his income during the time he was in the program," said Kate, the specialist working with him. Omar's family had been receiving housing assistance; his mother was the head of household and they lived in Seneca Court in Watsonville. When she passed on, Omar became the head of household. He was a farmworker, but he wanted more then to work in the fields and remain on housing assistance.

Just about four years ago, when Gertie was a housing specialist, she talked about the Family Self Sufficiency program (FSS) with him. At first, Omar thought about using the program to go back to school and get an Information Technology (IT) certificate. Then he talked with his employer. The company agreed to train him in IT on the job. Omar recalls, "What really helped was to have good communication skills, I was always in contact with my peers and coworkers. I was also very interested in IT; I always showed my interest in learning about programs and learned as much as I could whenever possible."

In three years, Omar's training lead to increases in his income. He currently has \$17,000 in his FSS escrow account! More importantly, now Omar is an IT Department Support Specialist, not a field worker. Omar said, "I feel very happy to be able to complete the program. I still have so much to learn, however, this is a big step to help me move forward and to keep me motivated to continue on to moving forward into other things in life."

#### **AGENDA ITEM SUMMARY**

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**MEETING DATE:** December 13, 2017 **ITEM NUMBER:** 6A

**FROM:** Executive Director

SUBJECT: Section 115 Trust for Unfunded Pension Liability

**RECOMMENDATION:** Adopt Resolution No. 2017-13 approving the establishment of the Public Agencies Post-Employment Benefits Trust administered by Public Agency Retirement Services (PARS)

#### **BACKGROUND SUMMARY:**

In 2015, the Government Accounting Standards Board (GASB) required implementation of Statement No. 68, Accounting and Financial Reporting for Pensions. GASB 68 requires governmental employers that sponsor Defined Benefit plans like those offered through CalPERS to recognize a net pension liability, also known as an unfunded pension liability, on their balance sheet. The unfunded pension liability is the difference between the Agency's total pension liability (actuarial accrued liability) and actual plan assets. The Housing Authority's total unfunded pension liability as of the most recent CalPERS valuation is just over \$7.2 million.

CalPERS has also significantly changed the methodology for calculating the Agency's Annual Required Contributions (ARC) in regards to amortizing the unfunded pension liability. Until recently, the Agency's only option for reducing the unfunded pension liability was to commit additional funds to CalPERS. Unfortunately, these additional funds would be subject to the same market volatility risk as the CalPERS investment policy target of 7.0% and the pre-funding cannot be applied to the required annual contributions in future years.

A recent Private Letter Ruling (PLR) issued by the IRS established that public agencies and municipalities can now create a separate Section 115 Trust to "pre-fund" their CalPERS unfunded pension liability. This provides the Agency with an alternative to sending additional funds directly to CalPERS, an option that has a very modest short-term impact on reducing the Annual Required Contributions (ARC) due to the additional funds being amortized over a period of 20-30 years. Funds placed in an irrevocable supplemental pension Section 115 Trust would be restricted in use solely for pension obligations. However, such a trust would offer the following beneficial features:

- Pension Volatility Risk Mitigation contributions from the trust may be transferred to CalPERS at the Agency's discretion to offset fluctuations in the required annual contributions (up to two years of pension expenses can be drawn from the trust).
- Investment flexibility with Section 115 Trust compared to HUD imposed restrictions on federal funds.

- Oversight and local control of investment management, risk tolerance, portfolio allocation, and monitoring of investment performance.
- Increased flexibility on use of trust assets (i.e., trust assets may be accessed any time as long as the assets are used to fund the Agency's pension).
- Accumulated funds and investment earnings partially offset Net Pension Liability reportable in the Financial Statements under GASB 68.

There are currently only two independent retirement plan administrators in California authorized to offer Section 115 Trusts, Public Agency Retirement Services (PARS) and Public Financial Management Group (PFM). Both administrators have received a Private Letter Ruling from the Internal Revenue Service, which assures participants of the tax-exempt status of their investments. Staff evaluated the services offered by each of these administrators as well as their fee structure for administering the trust. Staff also met with representatives of PARS and their investment manager, HighMark Capital Management. Staff believes that because of Section 115 Trusts being the core business focus of PARS and their significantly lower fees to administer the plan, the Agency would be best served by selecting PARS as its plan administrator.

PARS' fees for administration and investment advisory services are charged as a percentage of assets (for investments up to \$5M, fees would be 25 basis points or 0.25% for administration and 35 basis points or 0.35% for investment management totaling 60 basis points or 0.60% annually) held in the trust. The fees will be paid from trust assets. Staff anticipates annual investment earnings will be more than adequate to pay the annual fees. There is no minimum contribution, no start up fees, and no trade or transaction fees. The Trust has a zero fee 30-day termination notice.

The action requested today will authorize participation in the pension stabilization trust administered by PARS and will authorize the Executive Director to negotiate and execute the documents to implement the program. An investment policy for trust assets will be developed with the assistance of HighMark Capital Management (a registered investment advisor for this program).

## BEFORE THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

#### **RESOLUTION NO. 2017-13**

On the motion of Commissioner Duly seconded by Commissioner

The Following Resolution is Adopted:

# RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding pension obligations and/or OPEB obligations; and

WHEREAS the Housing Authority of the County of Santa Cruz ("Authority") is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS the Authority's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS the Authority's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS the Authority reserves the right to make contributions, if any, to the Program.

#### NOW, THEREFORE, BE IT RESOLVED THAT:

- 1. The Board of Commissioners hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective December 13, 2017; and
- 2. The Board of Commissioners hereby appoints the Executive Director, or his/her successor or his/her designee as the Authority's Plan Administrator for the Program; and
- 3. The Authority's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the Authority and to take whatever additional actions are necessary to maintain the Authority's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take

whatever additional actions are required to administer the Authority's Program.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this Thirteenth Day of December, 2017 by the following vote:

AYES: NOES: ABSENT:	
ATTEST:	Chairperson of the Authority
Secretary of the Authority	

#### **AGENDA ITEM SUMMARY**

**MEETING DATE:** December 13, 2017 **ITEM NUMBER:** 6B

**FROM:** Executive Director

**SUBJECT:** Electronic Agenda and/or Board Packet Materials

**RECOMMENDATION:** Discuss

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#### **BACKGROUND SUMMARY:**

The Housing Authority of the County of Santa Cruz posts Board of Commissioner agendas and board packet materials on the Agency website. Additionally, staff print copies of these materials and send the board packets to commissioners via Federal Express. In order to save paper, one commissioner recently suggested that packet materials be printed double sided, when possible. Additionally, another commissioner suggested that paper, time, and money could be saved by simply emailing the packet to commissioners (rather than using Federal Express) or if commissioners used laptop computers to view the materials electronically during board meetings.

#### **AGENDA ITEM SUMMARY**

**MEETING DATE:** December 13, 2017 **ITEM NUMBE**R: 6C

**FROM:** Executive Director

**SUBJECT:** Consideration of Waiting List Changes for 2018 Agency Plan

**RECOMMENDATION:** Discuss

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#### **BACKGROUND SUMMARY:**

As we discussed last month, the Housing Authority of the County of Santa Cruz (HACSC) has historically maintained an open waiting list for the Housing Choice Voucher (HCV) program, as did most of the neighboring Public Housing Authorities (PHAs). Over the years, nearly all of the PHAs on the Central Coast and Bay Area closed their HCV waiting lists, opening briefly once every several years. For years, the waiting list for HACSC was the only open list in the region. At the same time, HACSC began to allow online applications, which made it even easier for applicants to get on our waiting list.

Gradually, our waiting list became imbalanced and disproportionally under-represented residents of Santa Cruz County. While there have always been out of county applicants, a strong majority of applicants were historically County residents (typically in excess of 75%). By the time HACSC closed the HCV waiting list in 2011, the reverse was true, and a majority of applicants (roughly 75%) were not County residents.

In early 2017 HACSC undertook a massive update of our waiting lists, sending letters to each of the households on our waiting lists to confirm continued interest, collect updated information, and to determine who might be eligible for a live/work residency preference, so that we could evaluate the impact of such a policy. At this time, the waiting list refresh is complete, and of the households remaining on the Santa Cruz County HCV waiting list, roughly half would be eligible for a live/work preference, while on the Hollister and San Juan Bautista HCV waiting list, fewer than 10% of applicants would be eligible for a live/work preference.

Fair housing considerations regarding a live/work residency preference have been discussed with legal counsel and with HUD staff.

At this time, staff is seeking direction from the Board regarding the establishment of a live/work preference, as well as other related waiting list changes. The changes under consideration would be adopted through our annual Agency Plan process, which is currently underway. Direction from the Board will be used to prepare draft Agency Plan documents, which will be reviewed by a Resident Advisory Board in January. A public review period will begin in early February, and the Board will discuss the Agency Plan drafts at the February meeting. The Agency Plan documents will be adopted at the March meeting, prior to being submitted to HUD by April 15<sup>th</sup>.

The following is a summary of changes to the Housing Choice Voucher (HCV) waiting lists, that staff recommends for inclusion in this year's Agency Plan:

#### <u>Proposed Preferences and Other Waiting List Changes</u>

- Partial live/work residency preference, such that at least 75% of applicants selected from the waiting list will be households that live or work in the County. This preference would be applicable to the Santa Cruz County waiting list (for households that live or work in Santa Cruz County) as well as for the Hollister / San Juan Bautista waiting list (for households that live or work in San Benito County).
- Limited preference for vulnerable homeless persons in San Benito County. The County of San Benito has expressed a desire to establish a waiting list preference for vulnerable homeless persons referred by the County, similar to the Disabled and Medically Vulnerable waiting list preference in Santa Cruz County. This new waiting list preference would match rental assistance with case management that would be provided by the County or other County approved partners. This preference would only be applicable to the Hollister / San Juan Bautista waiting lists.
- Shelter Plus Care. Shelter Plus Care (S+C) is a Continuum of Care funded program that matches case management with rental assistance. This preference would allow S+C households to "graduate" from the program if they had been stably housed for at least two years and were in good standing with the Housing Authority, and if vouchers were available. This preference would open new vacancies for additional homeless persons to be assisted through S+C.

Additionally, the Housing Authority proposes the following measures during periods of low voucher or funding utilization only (under 97%). Both of the measures below would be intended to provide rental assistance very quickly to eligible households, without reducing the number of new vouchers issued to households on the waiting list.

- Lease in place preference. A lease in place preference would allow eligible households already on our waiting list who are currently residing in an eligible unit with a landlord who would accept a voucher, to move to the top of the waiting list and begin receiving assistance.
- Eviction prevention preference. The Community Action Board (CAB) administers an eviction prevention program for low income households at imminent risk of eviction. The Housing Authority proposes to allow a limited preference to referrals from CAB, for situations in which the rental assistance will prevent a low income household from losing their housing.

Please note the changes outlined above do not address how or when the Agency will open waiting lists. This topic will be discussed at a future meeting.

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT OFFICE OF THE DIRECTOR

2020 W. El Camino Avenue, Suite 500 Sacramento, CA 95833 (916) 263-7400 / FAX (916) 263-7417 www.hcd.ca.gov



November 6, 2017

Ms. Carol Berg, Chair Housing Authority of the County of Santa Cruz 2931 Mission Street Santa Cruz, CA 95060

RE: Request for Modifications to the Office of Migrant Services 50-Mile Rule for Migrant Farmworker Housing Programs

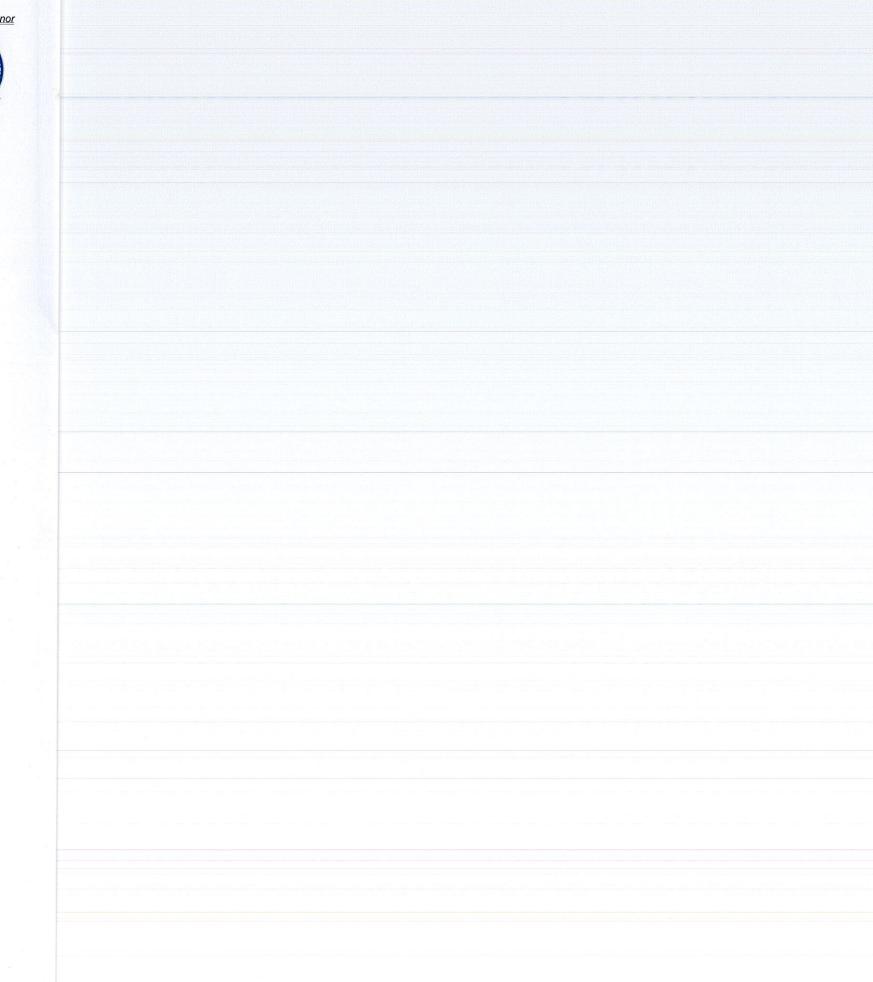
Dear Ms. Berg:

Thank you for your correspondence to the Department of Housing and Community Development (HCD) dated September 27, 2017. Your letter requests modification to the 50-Mile Rule as it pertains to the Office of Migrant Services (OMS) Program for farmworker families with school-age children.

On June 30, 2017, HCD facilitated a stakeholder meeting to discuss whether an amendment to the 50-Mile Rule would benefit migrant farmworkers and the agricultural industry in the state. Consistent with the observations in your letter, this meeting demonstrated that although there is support for eliminating the 50-Mile Rule, there is also public support for maintaining the Rule. Additionally, there is support for proposed alternatives, such as allowing extensions of the on-season or limited exceptions to allow students to complete the school year. At present, HCD continues to receive and review stakeholder input on this sensitive issue and is engaged in significant conversations about OMS Program regulations and possible future changes.

In addition, on September 29, 2017, Governor Brown, enacted Chapter 372, Statutes of 2017 (AB 571) that allows for longer operating seasons at OMS centers, which will now allow up to 275 days of operations.

It is HCD's mission to promote leadership, policies, and programs that preserve and expand safe and affordable housing opportunities, while also promoting strong communities for all Californians. We appreciate your input and continued partnership in operating and serving the needs of migrant farmworkers and their families at the Buena Vista Migrant Center. HCD looks forward to working you and others invested in the health and well-being of migrant farmworkers families to reach a satisfying resolution.



Ms. Carol Berg, Chairperson November 6, 2017 Page 2

Should you have further questions, please contact Lisa Bates, Deputy Director, Division of Financial Assistance, at <a href="mailto:lisa.bates@hcd.ca.gov">lisa.bates@hcd.ca.gov</a> or (916) 263-2771.

Sincerely,

Ben Metcalf

#### AGENDA ITEM SUMMARY

\_\_\_\_\_

MEETING DATE: December 13, 2017 ITEM NUMBER: 8

**FROM:** Executive Director

\_\_\_\_\_

SUBJECT: Executive Director's Report – December 13, 2017

**RECOMMENDATION:** Review

\_\_\_\_\_

#### **BACKGROUND SUMMARY:**

Please call or e-mail me with questions you might have on any of the Agenda Items for the December 13, 2017 meeting. I would be happy to give you additional background or answer any of your questions in advance of the meeting. My direct line is 454-5931 and my email address is jennyp@hacosantacruz.org

**Financial Reports:** Your packets today include our monthly unaudited financial reports which show revenue and expenses through October 2017 and a comparison against our approved budget(s) for FY 2017-18.

**FMR Study**: The Housing Authority is working closely with UCSB Economic Forecast Project regarding our ongoing FMR study. Two bedroom "recent movers" are considered by HUD to be the gold standard. While our sample did not yield enough two bedroom recent movers to rely on this data exclusively, HUD will allow the Agency to use alternative entries from respondents who fall outside those parameters. At this time, it does appear that the survey data collected will substantiate FMRs in excess of current levels. Therefore, not only will we avoid a *decrease* in FMRs, we expect to experience a modest *increase* in FMRs. Staff continues to work through additional issues with UCSB and HUD, including the timing of the approval of FMRs, which is likely to occur in March, and the potential for revised FMRs to be included in 2018 funding inflation adjustments. Data will be submitted to HUD by January 5, 2018.

**Buena Vista Migrant Center**: At our last meeting, we discussed Assembly Bill 571, which states that the standard occupancy period and extensions of migrant centers may not exceed 275 days (an increase from 180 days). Over the years, the Board has expressed interest in extending the operating season at the migrant center, and recently considered sending a letter to HCD requesting approval to do so. As a result of this change in legislation, and based on feedback from our Board and from Buena Vista Residents, the Housing Authority has moved the opening date for the migrant center up to April 2, 2018. The standard operating period remains 180 days, but the new legislation allows the Housing

Authority to request extensions up to 275 days, which could potentially allow the center to open through most of December 2018. In addition, representatives from the Governor's Office, HCD and OMS came to meet with us late last month. The meeting, which took place at the migrant center, allowed the Housing Authority to provide feedback on the 50 mile rule, as well as to discuss other issues. The meeting was very productive, and all parties seemed to share a desire to preserve the spirit and intent of the program, while avoiding the unanticipated negative consequences of the policy.

**Office Move**: The lease for 2170 41<sup>st</sup> Avenue has been signed, and we have announced our upcoming office move to staff. Staff were absolutely thrilled with this news, and conveyed heartfelt thanks to management and to our Board. Building plans have been submitted to the City of Capitola. An RFP for the tenant improvements has been issued, with responses due in early January. We have scheduled a special meeting on January 8<sup>th</sup> to approve a contract.

San Benito County Whole Person Care: San Benito County has been awarded a Whole Person Care grant, which will be used to connect members of their target population (people who are homeless / at risk of homelessness in combination with other vulnerability factors) with health services, case management, housing, and other resources. San Benito County would like to follow the model adopted by the 180/2020 campaign with regards to prioritizing a limited number of vouchers to vulnerable homeless persons referred by service providers. The Housing Authority is working with the County to explore this.

Customer Service: The Housing Authority started sending customer satisfaction surveys with the Annual Review packet last fall in addition to having surveys in the Lobby. Our intention was to learn more about our customer service and how it might be improved. We asked two questions that get to the heart of customer service: respectfulness of staff and usefulness of information. The results show our staff is fulfilling their customer service responsibilities and customers can use what they receive. Was the staff person who assisted you courteous and respectful? 88.3% answered affirmatively. Did you receive answers, instructions or information you can use? 90.6% answered affirmatively! In addition to many compliments and expressions of gratitude, some surveys contained helpful suggestions (about how to keep in touch with waiting list applicants or regarding accessing forms in the lobby or online) and a few comments were critical about customer service, or about the experience of participating in our programs. Every single survey and comment is reviewed by the Executive Director, and then forwarded as appropriate.

**Legislative Update:** This Fall, Congress approved a package that included a three month continuing resolution, extending existing levels of funding through December 8<sup>th</sup>. Therefore, Congress must act soon to avoid a government shutdown. If policy makers have not agreed to a budget deal by this date, another temporary funding extension is very likely. In the meantime, Congress has been deeply engaged on the passage of a tax bill. Industry analysts are concerned that such a tax bill will cut taxes and raise deficits, and therefore be used to justify additional cuts to federal programs. Additionally, the tax bills weaken tax subsidies for affordable housing development.

### HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ BUDGET COMPARISON REPORTS

#### **December 13, 2017**

Attached you will find the year to date reports as of October 31, 2017, which takes us 4 months, or 33.3%, into our fiscal year. The total of all revenue, excluding HAP reimbursements, is 31% of total budgeted, while HAP is 31% of the amount budgeted. Total expenses, excluding HAP payments, are 25% of the amount budgeted.

The agency as a whole experienced a net gain of \$605,604.

The profits and losses by program group are as follows:

Section 8 Programs	\$251,783	Vouchers, Mod Rehab & Mob Rehab SRO
Federal Housing Programs	256,988	LIPH and USDA
Federal Grants	(1,802)	Shelter + Care, FSS, Transitional Hsg
State Grants	2,592	Migrant Center & MCCs
Local Programs	4,192	Eligibilities, Security Deposits, Tech Asst
Administrative Services	91,852	Includes 41st Ave. & Mission St. rents
	\$605,604	

The only individual program which shows a year to date loss is:

FSS (\$5,798) (Calendar year 2017 grant funds fully expended)

**Budget Comparison - All Funds** 

October 2017

	2017-2018 Year	2017-2018 Annual	Budget	Budget
	to Date	Budget	Utilized	Remaining
<b>Revenues:</b>				
HAPS / Program	19,998,972	63,701,104	31%	69%
Administrative Fees	1,529,331	4,764,236	32%	68%
Grants / Contracts	692,840	2,621,675	26%	74%
Rental Income	906,460	2,604,412	35%	65%
Operating Transfers In	128,454	647,962	20%	80%
Other Income	86,001	242,835	35%	65%
<b>Total Revenues:</b>	23,342,060	74,582,224	31%	69%
Expenses:				
Housing Assistance Pmts	19,998,972	63,691,104	31%	69%
Salaries	1,017,938	3,742,613	27%	73%
Employee Benefits	412,582	1,570,319	26%	74%
Capital Purchases	82,476	1,507,375	5%	95%
Maintenance	483,720	1,376,586	35%	65%
General Administrative	355,127	1,194,115	30%	70%
Tenant Services	160,709	756,870	21%	79%
Operating Transfers Out	149,422	440,963	34%	66%
Debt Service	75,509	220,491	34%	66%
<b>Total Expenses:</b>	22,736,456	74,500,436	31%	69%
Net Income (Loss):	605,604	81,788		

**Budget Comparison - Section 8** 

October 2017

	2017-2018 Year to Date	2017-2018 Annual Budget	Budget Utilized	Budget Remaining
Revenues:				_
HAPS / Program	19,833,823	63,255,736	31%	69%
Administrative Fees	1,507,245	4,700,046	32%	68%
Grants / Contracts	-	136	0%	100%
Rental Income	-	-	0%	0%
Operating Transfers In	-	-	0%	0%
Other Income	4,336	19,487	22%	78%
<b>Total Revenues:</b>	21,345,404	67,975,405	31%	69%
Expenses:				
Housing Assistance Pmts	19,833,823	63,255,736	31%	69%
Salaries	753,038	2,778,279	27%	73%
Employee Benefits	303,923	1,184,032	26%	74%
Capital Purchases	=	-	0%	0%
Maintenance	8,798	33,816	26%	74%
General Administrative	194,039	607,155	32%	68%
Tenant Services	-	-	0%	0%
Operating Transfers Out	-	-	0%	0%
Debt Service	-	-	0%	0%
Total Expenses:	21,093,621	67,859,018	31%	69%
Net Income (Loss):	251,783	116,387		

**Budget Comparison - Federal Housing** 

October 2017

	2017-2018 Year to Date	2017-2018 Annual Budget	Budget Utilized	Budget Remaining
<b>Revenues:</b>				_
HAPS / Program	-	-	0%	0%
Administrative Fees	-	-	0%	0%
Grants / Contracts	208,972	512,951	41%	59%
Rental Income	712,327	2,031,210	35%	65%
Operating Transfers In	128,454	580,062	22%	78%
Other Income	65,700	173,260	38%	62%
<b>Total Revenues:</b>	1,115,453	3,297,483	34%	66%
Expenses:				
Housing Assistance Pmts	_	_	0%	0%
Salaries	186,901	692,039	27%	73%
Employee Benefits	73,392	268,328	27%	73%
Capital Purchases	76,178	872,225	9%	91%
Maintenance	369,534	980,749	38%	62%
General Administrative	123,463	398,420	31%	69%
Tenant Services	-	250	0%	100%
Operating Transfers Out	20,123	55,950	36%	64%
Debt Service	8,875	20,591	43%	57%
Total Expenses:	858,465	3,288,553	26%	74%
Net Income (Loss):	256,988	8,930		

**Budget Comparison - Federal Grants** 

October 2017

	2017-2018 Year to Date	2017-2018 Annual Budget	Budget Utilized	Budget Remaining
Revenues:		6		5
HAPS / Program	165,149	445,368	37%	63%
Administrative Fees	-	_	0%	0%
Grants / Contracts	189,749	585,073	32%	68%
Rental Income	7,076	20,737	34%	66%
Operating Transfers In	-	17,900	0%	100%
Other Income	438	1,845	24%	76%
<b>Total Revenues:</b>	362,412	1,070,923	34%	66%
Expenses:				
Housing Assistance Pmts	165,149	435,368	38%	62%
Salaries	36,586	131,134	28%	72%
Employee Benefits	19,436	64,806	30%	70%
Capital Purchases	-	17,900	0%	100%
Maintenance	6,412	29,142	22%	78%
General Administrative	1,500	9,838	15%	85%
Tenant Services	5,832	33,334	17%	83%
Operating Transfers Out	129,300	385,013	34%	66%
Debt Service	=	=	0%	0%
<b>Total Expenses:</b>	364,215	1,106,535	33%	67%
Net Income (Loss):	(1,802)	(35,612)		

**Budget Comparison - State Grants** 

October 2017

	2017-2018 Year to Date	2017-2018 Annual Budget	Budget Utilized	Budget Remaining
<b>Revenues:</b>				
HAPS / Program	-	-	0%	0%
Administrative Fees	-	1,250	0%	100%
Grants / Contracts	115,936	726,906	16%	84%
Rental Income	-	-	0%	0%
Operating Transfers In	-	-	0%	0%
Other Income	3,942	15,120	26%	74%
<b>Total Revenues:</b>	119,878	743,276	16%	84%
Expenses:				
Housing Assistance Pmts	-	-	0%	0%
Salaries	19,452	70,660	28%	72%
Employee Benefits	8,241	30,820	27%	73%
Capital Purchases	6,298	335,250	2%	98%
Maintenance	63,297	193,381	33%	67%
General Administrative	19,998	97,107	21%	79%
Tenant Services	-	-	0%	0%
Operating Transfers Out	-	-	0%	0%
Debt Service	-	-	0%	0%
Total Expenses:	117,286	727,219	16%	84%
Net Income (Loss):	2,592	16,057		

**Budget Comparison - Local Programs** 

October 2017

	2017-2018 Year to Date	2017-2018 Annual Budget	Budget Utilized	Budget Remaining
<b>Revenues:</b>				
HAPS / Program	-	-	0%	0%
Administrative Fees	3,173	9,080	35%	65%
Grants / Contracts	178,183	796,609	22%	78%
Rental Income	-	-	0%	0%
Operating Transfers In	-	-	0%	0%
Other Income	114	550	21%	79%
<b>Total Revenues:</b>	181,470	806,239	23%	77%
Expenses:				
Housing Assistance Pmts	=	-	0%	0%
Salaries	15,324	48,158	32%	68%
Employee Benefits	5,421	15,340	35%	65%
Capital Purchases	=	-	0%	0%
Maintenance	120	325	37%	63%
General Administrative	1,537	7,266	21%	79%
Tenant Services	154,877	723,286	21%	79%
Operating Transfers Out	-	-	0%	0%
Debt Service	-	-	0%	0%
Total Expenses:	177,278	794,375	22%	78%
Net Income (Loss):	4,192	11,864		

**Budget Comparison - Administrative Services** 

October 2017

	2017-2018 Year to Date	2017-2018 Annual Budget	Budget Utilized	Budget Remaining
Revenues:				
HAPS / Program	-	-	0%	0%
Administrative Fees	18,914	53,860	35%	65%
Grants / Contracts	-	-	0%	0%
Rental Income	187,058	552,465	34%	66%
Operating Transfers In	=	50,000	0%	100%
Other Income	11,471	32,573	35%	65%
<b>Total Revenues:</b>	217,442	688,898	32%	68%
Expenses:				
Housing Assistance Pmts	-	-	0%	0%
Salaries	6,638	22,343	30%	70%
Employee Benefits	2,169	6,993	31%	69%
Capital Purchases	-	282,000	0%	100%
Maintenance	35,559	139,173	26%	74%
General Administrative	14,590	74,328	20%	80%
Tenant Services	-	-	0%	0%
Operating Transfers Out	-	-	0%	0%
Debt Service	66,633	199,900	33%	67%
Total Expenses:	125,591	724,737	17%	83%
Net Income (Loss):	91,852	(35,839)		

## Monterey Bay Housing Trust backs Water Street rentals with \$500,000 loan

By Jondi Gumz, Santa Cruz Sentinel

Posted: 10/19/17, 5:26 PM PDT | Updated: 4 days ago

SANTA CRUZ >> The Water Street Apartments, a 41-unit four-story affordable complex and estimated to cost \$19.3 million, is getting support from the Monterey Bay Housing Trust in the form of a \$500,000 loan.

The loan will go to For the Future Housing, a San Jose developer that built the Riverwalk Apartments in Santa Cruz specializes in affordable housing.

The complex is to include 22 one-bedroom and 19 two-bedroom rentals at 708, 712 and 718 Water St. — near the Market Street intersection — with eight units reserved for individuals with developmental disabilities.

Each apartment would cost an average of \$470,732 to create, given the development costs.

The development cost figure came from Jim Rendler of For the Future Housing, which has been working on the plans since 2015. Other financing sources include federal low-income housing tax credits, tax-exempt bond financing, and City of Santa Cruz, he said.

Construction could take a year.

The City Council approved a \$1.3 million loan to help the developer buy the .66-acre site. Hall's Surrey House Antiques, which was at this site, has moved to 4904 Soquel Drive in Soquel.

The apartments will be rented to residents who are considered "low" or "very low" income. With Santa Cruz County's 2017 median income at \$83,300, that could <u>target households of three</u> earning less than \$27,050 and allowing income of up to \$45,100.

The ground floor is designed to contain commercial or office space.

"For The Future Housing is creating a very necessary and appropriate housing community along a major corridor in Santa Cruz," said Matt Huerta, Monterey Bay Economic Partnership housing program manager. "We are proud to support this project that will assist working families and our most vulnerable residents with developmental disabilities."

About 1,600 individuals with disabilities in Monterey, Santa Cruz and San Benito counties live at home with aging parents.

The Santa Cruz City Council approved the development in June after the project was scaled back from 56 units.

Santa Cruz Mayor Cynthia Chase supported the development, saying affordable housing is a top priority for the city.

Santa Cruz YIMBY, Yes in My Back Yard, supported the development but more than 1,000 people signed a Change.org petition urging the council not to allow up to 55 units per acre of housing due to concerns over traffic and noise.

## A new life



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#### Advocates place man in new apartment

By: TODD GUILD - Updated: 14 hours ago

WATSONVILLE — Richard Piontkowski spent the previous 12 years of his life in a nursing home, where nearly every aspect of his life was controlled by others.

On Tuesday, he slept in his own apartment for the first time, a one-bedroom place in the Paloma Del Mar apartment complex, a low-income senior village.

It is a place of many firsts for Piontkowski, 67, including a kitchen where he can make his food. He will also have a computer with internet service, his first in more than a decade.

Confined to a wheelchair because of a childhood bout with encephalitis, Piontkowski still needs some managed care. But he is free for the first time to make his own decisions.

This will likely include midnight snacks, he said.

"The other place didn't have much of a night life, and I'm kind of a night person," he said.

Piontkowski's placement in the apartment begins a new chapter in his life, but it was the culmination of months of work by his service providers.

His situation was made more challenging by the fact that he has no transportation and no family locally to advocate for him.

Dignity Health social worker Kim De Serpa said she works with 85 doctors in advocating for thousands of patients with health and quality of life issues.

De Serpa works for the Dignity Health Care Management Program, which serves people with complex health needs free of charge.

To get Piontkowski's apartment, De Serpa had to first obtain a Section 8 voucher from the Housing Authority of Santa Cruz County.

She also worked with Santa Cruz-based California Community Transitions, whose stated goal is to help move adults stuck in long-term care back to their homes and communities.

That organization paid for his first and last month's rent. The Housing Authority footed the bill for his security deposit.

California Community Transitions is run by the Health Projects Center.

Still other funds helped Piontkowsk furnish and stock his apartment and receive visits from care providers.

He will receive groceries from California Grey Bears, and ready-to-cook meals from Teen Kitchen Project.

Each of these services required different planning, which is why the process of getting out of situations like Piontkowski's is a daunting one, De Serpa said.

Still, that can begin with a call to California Community Transitions.

"People shouldn't give up," she said. "They should investigate ways to overcome difficult situations. But I don't know how people could do it without people like us."

In his "new life," Piontkowski said he hopes to do volunteer work, either in a school or library.

"Just make a difference somehow," he said. "There's always something to be done, even for a person in a wheelchair."

Piontkowski compared his move to "12 Christmases rolled into one."

"I thought I'd never get out," he said. "I really feel that I'm part of society again."