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FOR IMMEDIATE RELEASE

Thursday, March 4, 2021

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A broad coalition of Workforce Development, Homeless Services, businesses, and Community Based organization praise Homeless Hiring Tax Credit to Support Those Most Negatively Impacted by COVID-19 Economic devastation

SACRAMENTO –Today a broad coalition of organizations representing employers, workforce development providers, homeless service agencies, and community based organizations came together to praise the joint work of State Senator María Elena Durazo (D-Los Angeles) and State Assemblymember Richard Bloom (D-Santa Monica) who have introduced a package of legislation - Senate Bill 424 and Assembly Bill 675 - to create a groundbreaking California Homeless Hiring Tax Credit that would simultaneously confront the homelessness crisis facing California, address the rampant job losses stemming from the COVID-19 pandemic that have disproportionately harmed low-income communities, and ease the significant financial strain that many small businesses are currently experiencing.

Establishing a tax credit between \$2,500 and \$10,000 per qualified homeless individual hired would create access to meaningful employment and pathways to careers for up to 3,000 individuals currently experiencing homelessness in California. Under this proposal, a qualified employer could claim \$30,000 in tax credits annually, thereby assisting both individuals experiencing homelessness in addition to businesses that need additional support to cover bills and weather the economic impacts of the pandemic. This is a tried-and-true approach to making businesses a part of the solving the homelessness crisis, as the State of Utah passed similar legislation in 2019 with promising results.¹

“In every crisis, we try to find an opportunity,” said Supervisor Sheila Kuehl. “LA County has lost a devastating number of jobs, but, in planning our recovery, we have the opportunity to prioritize our most vulnerable workers while also helping our small businesses get back on track. I am proud to support SB 424 and AB 675 as an innovative approach to economic recovery. “

According to data from the California Policy Lab, the vast majority of homeless individuals in California have recent work experience before destabilizing circumstances caused them to lose housing security. In LA County alone, almost half of homeless individuals were employed within the previous four years of their first homeless spell, showing job readiness exists broadly in this community.²

"This bill would elevate small businesses that provide quality, high-road jobs as critical partners in our response to homelessness in California," said Senator Durazo. "And as we look toward an equitable recovery from the COVID-19 pandemic, this legislation will connect people who are experiencing homelessness to good jobs and living wages. This bill will reward the businesses that are willing to invest in our brothers and sisters who are sleeping on the streets and looking for an opportunity to get their lives back on track."

¹<https://jobs.utah.gov/employer/business/htc.html#:~:text=The%20Utah%20Tax%20Credit%20for,for%20each%20qualified%20new%20hire.>

² <https://www.capolicylab.org/wp-content/uploads/2020/02/employment-among-the-homeless-in-los-angeles.pdf>

“SB 424 and AB 675 are an important step towards addressing the crisis of our unhoused neighbors in a way that brings our business community into the conversation,” said Assemblymember Bloom. “Creating ways to incentivize hiring of our unhoused neighbors will lead to employment and housing opportunities for our homeless population, both of which are essential to ending the cycles of poverty. This tax credit can also support our small businesses as they navigate beyond the pandemic.”

“COVID-19 has had a devastating impact on our local economies, more so for communities of color and women,” said Los Angeles County Supervisor Holly Mitchell. “To close the achievement gap, we must ensure that we prioritize hiring from populations who have long been stigmatized, including the homeless population. The Homeless Hiring Tax Credit will ensure that we truly commit to an equitable recovery, with pathways to careers in family-sustaining wages for our vulnerable communities.”

According to a study released by LAHSA in 2020, over 66,000 individuals were experiencing homelessness on any given night in Los Angeles County³. Additionally, the Los Angeles Economic Development Corporation reports that LA County lost 437,000 jobs in 2020, will have 354,000 fewer living wage jobs in 2021 compared to the pre-pandemic economy, and that 738,672 living wage jobs need to be created for the entire LA County workforce to achieve a satisfactory standard of living. Moreover, at least 25% of people experiencing homelessness have no prior employment experience; of those who did have employment experience prior to COVID-19, two of the top four employment industries were retail and food service – which have been heavily impacted by COVID-19. To support small businesses and ensure an economic recovery that works for Californians most in need, it is essential to prioritize our homeless neighbors who have experienced historical barriers to employment and are facing an even bleaker job market today than they were a year ago.

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³<https://www.lahsa.org/news?article=726-2020-greater-los-angeles-homeless-count-results>