



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



2

October 5, 1987

Law and Legislative Committee
Sacramento City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Senate Bill 752 "Just One Break" Employment
Legislation for the Homeless

SUMMARY

On June 4, 1987, the Law and Legislative Committee resolved to endorse SB 752 authored by Senator Leroy Greene. This Bill would mandate the State Employment Development Department (EDD) to "special target" the homeless populations in seven metropolitan areas of California. EDD opposes the mandate and warns that "special targeting" the homeless will result in the lack of employment opportunities for other people. The J.O.B. legislation is modeled on the homeless employment program developed by SHRA staff in conjunction with the local EDD field office. Since July 1986, 1,050 homeless persons have been employed part time or full time, temporary or permanent. Twenty percent of the total received full time, permanent employment. An analysis of cost benefits to the County and other proposed jurisdictions is attached (Attachment A). The Employment Development Department now seems to be moving toward a new and more favorable position regarding the Bill. The attached draft letter (Attachment B) encourages the other designated cities and counties identified in the Bill to write expressing their support for SB 752 to Governor Deukmejian and Mr. Kay Kiddoo, EDD Director.

(1)

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Law and Legislative Committee
Sacramento City Council
Page Two

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of October 5, 1987, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Glud, Moose, Pettit, Sanchez, Simon, Simpson,
Wiggins, Wooley, Yew, Amundson

NOES: None

ABSENT: Sheldon

RECOMMENDATION

Staff recommends that your Council authorize the Mayor to transmit the attached letter to the designated cities and counties identified in the Bill.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

Contact Person: John Molloy
440-1360

2410WPP2(37)

The following is an analysis of the Sacramento Housing and Redevelopment Agency's Just One Break (JOB) program in contributing to the financial well-being of the County by helping people out of homelessness and into the work force. This report focuses on a six-month period, from July through December 1986, in which 106 men entered into the employment program. Contrasts are made between the earnings of the participants and the amount of savings to Sacramento County which terminated 106 General Assistance (GA) recipients as a result of this program.

Each person was hired at least at the minimum wage of \$3.35 an hour and worked 40 hours per week. At this rate, a given person made \$3,484.00 over the six months. The combined before tax earnings of the 106 men equals \$369,304.00.

Four counties are used in demonstrating what it would have cost each county to provide general assistance payments for 106 men over the same six-month period. All of the following figures apply to 1986.

1. In Sacramento County, the GA allotment for a single person was set at \$221.00 per month for July and August, increasing to \$247.00 per month from September through December. The combined six-month period would have provided each GA recipient with \$1,430.00. Therefore, the total GA amount for all 106 men over this period would have been \$151,580.00.
2. In Los Angeles County, the GA allotment for a single person was set at \$228.00 per month for July through September, increasing to \$247.00 per month for October through December. The combined six-month period would have provided each GA recipient with \$1,425.00. Thus, the total GA amount for all 106 men over the six-month period would have been \$151,050.00.
3. In San Diego County, the GA allotment for a single person was set at \$225.00 per month over the July through December period. The combined six-month period would have provided each GA recipient with \$1,350.00. Therefore, the total GA amount for all 106 men over this period would have been \$143,100.00.
4. In San Francisco County, from July through December the GA allotment for a single person was set at \$303.00 per month. The combined six-month period would have provided each GA recipient with \$1,818.00. Thus, the total GA amount for all 106 men would have totaled \$192,708.00 over six months.

The obvious benefit of the JOB Program is that instead of an outlay of county funds in welfare payments, the county benefits by the employment of persons. We believe that in addition to that benefit, there will be a positive ripple effect in the community as a whole ranging from cost savings to environmental improvements in downtown areas.

DRAFT

September 15, 1987

Dear (City/County),

"Why doesn't that homeless person get a job and contribute to society like the rest of us?"

If you or your constituents have asked that question, then you must know that you are not alone. We in Sacramento have wondered the same, and we have designed a program to address that issue. The result: from July 1, 1986 to June 30, 1987, nearly 900 homeless persons have taken either part time, full time, temporary, or permanent jobs (20 percent are full-time permanent positions).

Our Coordinator of Homeless Programs, an employee of Sacramento Housing and Redevelopment Agency, working with the local State Employment Development Department (EDD), has developed a successful plan to locate employment opportunities for the homeless. We call our program "Just One Break" or "J.O.B". This past spring, State Senator Leroy Greene of Sacramento, using our J.O.B. program as a model, authored Senate Bill 752, mandating EDD to specially target the employable homeless population for assistance. The obvious result would be lower (4)

General Assistance costs for the designated counties as well as other benefits for the designated cities and counties. EDD opposes this bill.

The reason for EDD opposition is two-fold:

1. They do not want to be mandated to serve the employable homeless or a special target population. They argue that such a mandate is unnecessary since all a homeless person has to do to be served is to present him/herself at an EDD field office. History does not bear this out. I am quite positive that our 900 homeless persons would not have been employed without the J.O.B. program.
2. EDD maintains that to accomplish the task of special targeting of the employable homeless population, they will be forced to reprioritize their overall services. I do not believe this to be correct since employment was achieved in Sacramento with only minor changes in EDD procedure.

Your City/County is one of seven metropolitan areas designated by the Bill as an eligible community to request these services by EDD. Although there are some matching costs required by the local community, all seven metropolitan areas have already established programs and have developed funds for homeless programs which will meet that match. Considering the potential welfare savings to your area, any costs incurred are greatly offset by the savings. Please join with Sacramento, San Francisco, and Los Angeles in letting your community's voice be

heard in the State's Capitol. I urge you to write to Mr. Kay Kiddoo, Director of EDD and Governor Deukmejian, informing them of your community's desire to employ the homeless as they seek to be reintegrated into society.

Homelessness continues to grow. Not all homeless persons desire to be unemployed. All they need is "just one break". Please assist them by your correspondence. I have enclosed a copy of the legislation as well as our letter of support. Stephen Whitney-Wise, our Coordinator of Programs for the Homeless, is most willing to receive any questions you may have in this regard. His telephone number is (916) 440-1327.

Sincerely yours,

ANNE RUDIN

Mayor

SWW:mlf

Enclosures

2410WPP2(37)