



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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January 15, 2020

To: Supervisor Kathryn Barger, Chair  
Supervisor Hilda L. Solis  
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Supervisor Sheila Kuehl  
Supervisor Janice Hahn

From: Sachi A. Hamai   
Chief Executive Officer

## **INCREASED EMPLOYMENT OPPORTUNITIES FOR HOMELESS INDIVIDUALS (ITEM NUMBER 12, AGENDA OF JUNE 25, 2019)**

On June 25, 2019, the Board of Supervisors (Board) directed the Chief Executive Officer (CEO), in collaboration with the Los Angeles Homeless Services Authority (LAHSA), the Los Angeles County Development Authority (LACDA), the Department of Mental Health (DMH), Department of Health Services (DHS), Department of Public Social Services (DPSS), Workforce Development, Aging and Community Services (WDACS), Department of Consumer and Business Affairs (DCBA), County Counsel and other stakeholders to report back in 90 days on the feasibility and potential fiscal impact of a targeted hiring incentive program for County contractors who meet targeted hiring goals for individuals experiencing homelessness, which could include, but not necessarily be limited to, an extension of contract terms by one or two years.

On September 27, 2019, the CEO provided an interim report back to the Board, outlining the steps that were being taken to assess a variety of incentives that could be offered to County contractors to encourage them to hire people experiencing homelessness. This interim report back included a survey that was subsequently administered to registered County vendors.

This memorandum serves as a second interim report back to the Board, providing an overview of the survey results and next steps in developing detailed recommendations for a pilot incentive program to encourage County contractors to hire people experiencing homelessness.

## **Survey Results**

In October 2019, the Internal Services Department (ISD) disseminated a survey that was developed by the stakeholders listed above ("the Working Group"). The survey (Attachment 1) was sent to 67,130 registered County vendors. There were 224 responses submitted. As a result of the low response rate, the utility of the information from the survey is somewhat limited. Nonetheless, valuable insights did emerge from survey responses, which are summarized in Attachment 2.

Although the results of the survey are not conclusive, they did indicate a high level of support from respondents for the concept of offering incentives to County contractors to hire homeless job seekers; 85 percent of respondents said they would be agreeable to this concept. This finding, combined with anecdotal evidence from members of the Working Group, provides an impetus to move forward with efforts to develop an incentive program.

## **Next Steps to Develop an Incentive Program**

Based on survey results and Working Group discussions, the CEO recommends that the County move forward with developing a pilot program to test the impact of offering County contractors contract extensions if they demonstrate that they have hired, or are committed to hiring individuals who are experiencing homelessness or have recently exited homelessness. Although, as indicated from the survey responses described in Attachment 2, respondents were most supportive of the Hiring Incentive Bonus option when presented with multiple options for incentives, the CEO believes the Contract Extension option referenced in the Board Motion is most viable because it is likely to be low- or no-cost and has been tested in the County previously. Further, there was also significant support for this option among survey respondents.

The Working Group is continuing to develop the parameters for such a program. In order to move forward with providing the Board with detailed recommendations, the following next steps are planned:

1. Develop criteria for participation in the pilot program including, but not limited to:
  - a. Number or percentage of homeless individuals that the vendor must hire.
  - b. Determine whether a vendor must make a commitment to hire or hiring must occur prior to receiving contract extension.
  - c. Requirements regarding retention of homeless/formerly-homeless employees.

2. Determine criteria for selecting appropriate vendors with whom to pilot the program, including consideration of:
  - a. Whether to pilot the program with mainstream employers, employers affiliated with the homeless services sector, or both.
  - b. Appropriate size of vendor workforce, if any.
  - c. Option for a vendor to meet the requirement by hiring employees who will not work directly on the County contract, but are employed by the contractor to perform other duties.
  
3. Develop a plan for sourcing potential homeless jobseekers to participate in the pilot program, which may include:
  - a. Exploring opportunities to partner with existing training programs that serve people experiencing homelessness and may generate "work-ready" individuals well-suited for hiring by County contractors.
  - b. Considering opportunities to source participants who are already enrolled in programs that offer supportive services on an ongoing basis and would be well-positioned to offer continued support to the employee (and potentially to the employer) once hiring occurs.
  - c. Determining how much, if any, funding may be necessary to provide support services to employees and employers participating in the program to ensure retention and increase the chances of successful outcomes for both the employee and employer.

The Working Group will address the above next steps through continued internal discussions, as well as small focus groups or interviews with selected employers. The CEO will report back to the Board with final recommendations by March 16, 2020.

If you have any questions, please contact Phil Ansell, Homeless Initiative Director, at (213) 974-1752 or pansell@ceo.lacounty.gov.

SAH:FAD:PA  
JR:EBl:tv

#### Attachments

c: Executive Office, Board of Supervisors  
County Counsel  
Consumer and Business Affairs  
Health Services  
Internal Services  
Mental Health

Public Social Services  
Workforce Development, Aging and  
Community Services  
Los Angeles County Development  
Authority  
Los Angeles Homeless Services Authority

## Increased Employment Opportunities for Homeless Individuals

The County of Los Angeles seeks your input on how County contractors can assist with Los Angeles' efforts to achieve housing stability for our homeless neighbors. Please take a few minutes to complete this survey.

The County is facing a homelessness crisis that has reached unprecedented levels in recent years. In the Los Angeles Homeless Services Authority's (LAHSA) 2019 Point-in-Time Count, 58,936 individuals and family members were identified as experiencing homelessness in LA County. For about half of those experiencing homelessness, economic hardship, or loss of a job is a leading cause of their episode of homelessness.

The County has taken numerous steps to combat and prevent homelessness, including efforts to improve access to employment for people experiencing homelessness. The Board of Supervisors recently approved a motion directing County staff to assess the feasibility of developing an incentive program for County contractors who hire individuals experiencing homelessness.

The purpose of this survey is to determine what contractor incentives would be of interest to our contractor community in an effort to increase employment opportunities for homeless individuals.

### Questions

*Please note: for all of these incentives' options, the County would provide referrals to potential job candidates who are experiencing homelessness.*

1. What types of services does your organization provide to the County?
2. Would your organization be agreeable to hiring homeless individuals if incentives were offered?
3. On a scale from 1 to 5, please indicate your level of interest in each of the incentive options described below, with 1 being "no interest" and 5 being "very interested."
  - a. **Solicitation Scoring Bonus for Participation in Subsidized Employment Program.** Contractors participating in one of the County's subsidized employment programs for people experiencing homelessness will receive a scoring bonus in County solicitations. Subsidized employment programs provide the employer with four to six months of wages for hiring an employee who is experiencing or has recently exited homelessness. If the subsidized employee's performance meets expectations by the conclusion of the subsidy, the Contractor is expected to hire the employee into an unsubsidized position.

1 (no interest)       2       3       4       5 (high interest)

- b. **Hiring Incentive Bonus to Contractors for Hiring and Retaining Homeless Individuals.** When the Contractor demonstrates successful hiring of a prescribed percentage of homeless individuals for a 12-month period, the Contractor would earn an incentive bonus, provided the Contractor has satisfied all other contract terms and conditions, including the submission of the hiring reports.

1 (no interest)       2     3     4     5 (high interest)

*In order to participate in this program (option b, above), my business would require a bonus of at least \_\_\_\_% of our contract or \_\_\_\_\$ per individual hired.*

- c. **Contract Extensions for Hiring Homeless Individuals.** For certain solicitations, Contractors who meet targeted hiring goals for individuals experiencing homelessness may be eligible for an additional one year on their contract.

1 (no interest)       2     3     4     5 (high interest)

- d. **Solicitation Scoring Bonus for Guaranteeing to Hire Homeless Individuals.** Contractors that guarantee they will hire a prescribed percentage of individuals experiencing homelessness will receive a scoring bonus in County solicitations.

1 (no interest)       2     3     4     5 (high interest)

4. What kinds of supports would make your organization more likely to participate in a County contractor incentive program for hiring people experiencing homelessness? Select all that apply.

- a. Effective case management for homeless workers to ensure they meet expectations while on the job.
- b. County-provided "coach" for both the employer and the homeless employee, to provide supports that improve retention and employee integration into your organizational culture.
- c. Training for your organization's staff and/or human resources department to facilitate effective integration of homeless workers into your organizational culture.
- d. Opportunities for peer support from other organizations that have experience hiring people experiencing homelessness.
- e. Other: \_\_\_\_\_

5. If you have other suggestions for how to incentivize County contractors to hire people experiencing homelessness, please describe them here:

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## Review of County Vendor Survey Responses – Homeless Hiring Incentives

In October 2019, the Internal Services Department (ISD) disseminated a survey to gather input from County Vendors regarding the possibility of offering incentives to County Contractors to hire people experiencing homelessness. The survey was sent to 67,130 registered County Vendors. Key results of the survey are summarized below.

### **Response rate**

- There were 224 respondents to the survey. This represents a 0.33 percent response rate. ISD indicates that this is a typical response rate for their surveys.
- Among respondents, 10 percent either did not state what kind of business they operated, or explicitly said that they were not current County Contractors or had never been County Contractors.
- Respondents represented a broad range of business types, as indicated in Figure 1 at the end of this document.

### **Would your organization be agreeable to hiring homeless individuals if incentives were offered?**

- Support for the concept of an incentive program was high, with 85 percent of respondents indicating they would be agreeable.

### **Interest in specific types of incentives**

The survey asked vendors to indicate their interest in four different potential incentive options. The table below summarizes the level of interest indicated for each option.

INCENTIVE TYPE	High Interest (4 on scale of 1-5)	Very High Interest (5 on a scale of 1-5)	High/Very High Interest (4 or 5 on a scale of 1-5)
Option A: Solicitation Scoring Bonus for Participation in Subsidized Employment Program	25%	21%	47%
Option B: Hiring Incentive Bonus to Contractors for Hiring and Retaining Homeless Individuals	25%	46%	71%
Option C: Contract Extensions for Hiring Homeless Individuals	21%	23%	44%
Option D: Solicitation Scoring Bonus for Guaranteeing to Hire Homeless Individuals	19%	27%	46%

- For Option B, "Hiring Incentive Bonus to Contractors for Hiring and Retaining Homeless Individuals," respondents were asked what percentage of their contract they would require in order to participate in this hiring effort. Excluding those who entered 0 or 100 percent, the average percentage was 19.5 percent. However, there was significant variation.
- Respondents were also asked what dollar amount per individual hired they would require to participate in the incentive program. Responses were so variable that an average amount is



not very informative. Some respondents proposed flat dollar amounts, while others indicated an hourly wage subsidy or a monthly amount.

***Supports that would make organization more likely to participating in hiring effort***

The survey asked respondents to consider four possible supports and indicate whether the support would make them more likely to participate in the incentive program. Possible supports included: (a) Effective case management for homeless workers to ensure they meet expectations while on the job; (b) County-provided “coach” for both the employer and the homeless employee, to provide supports that improve retention and employee integration into your organizational culture; (c) Training for your organization’s staff and/or human resources department to facilitate effective integration of homeless workers into your organizational culture; and (d) Opportunities for peer support from other organizations that have experience hiring people experiencing homelessness. In addition, respondents were able to provide suggestions in an open-ended response.

- For each of the four proposed supports, more than 50 percent of contractors indicated that they would be more likely to participate in the program should the County offer them.
- “Effective case management for homeless workers to ensure they meet expectations while on the job” received the highest level of support, with 71 percent of respondents selecting this option.
- Among the comments that were provided in the open-ended response to this question, there were several themes. Respondents suggested providing/implementing:
  - Appropriate training for people experiencing homelessness to prepare them for jobs
  - Transportation
  - Housing
  - Drug testing and background checks
  - Funds to mitigate loss due to damage or theft

***Respondent comments and recommendations***

Contractors provided a wide range of comments in the final open-ended response section. Some notable comments include (paraphrased):

- Allow County Contractors to access incentives for hiring/training homeless individuals even if it is for roles that are not directly related to the contract itself.
- Several respondents expressed interest and willingness to participate, with or without incentives.
- Create a list or portal through which to connect to available candidates.
- Provide added incentives for hiring full-time workers, or for contractors that train workers and help them to find permanent employment elsewhere.
- Provide contractors with training opportunities to help them identify opportunities to hire people experiencing homelessness.
- Provide networking opportunities for businesses and people experiencing homelessness, other than job fairs, which can be overwhelming.
- Pay employee tax/reduce tax liability for employers who hire people experiencing homelessness.
- Multiple references to drug testing/drug free employees.

**Figure 1**

