

California Homeless Hiring Tax Credit



Credit Incentivizes Businesses to Hire Unhoused Job Seekers

HHTC Details

Available January 1, 2022 through December 31, 2026, this temporary tax credit encourages businesses to hire individuals who are currently or recently experiencing homelessness (up to 180 days before hiring) or receiving services from a homeless services provider. Up to \$30 million of credits are available statewide per year. The amount of credit per eligible employee is dependent upon hours worked in taxable years, as follows:

Hours Worked	Credit Amount
0 – 499	\$0
500 – 999	\$2,500
1,000 – 1,499	\$5,000
1,500 – 1,999	\$7,500
2,000 +	\$10,000

For more details, visit the California Franchise Tax Board at <https://www.ftb.ca.gov/file/business/credits/index.html>

What is the HHTC?

Available for the first time in 2022 and authorized by [AB 150](#), the California Homeless Hiring Tax Credit (HHTC) provides employers a tax credit of up to \$30,000 a year for hiring people experiencing homelessness, up to \$10,000 per employee, depending on hours worked. To claim the credit, employers must:

- Connect with a certifying organization to receive a HHTC certificate for each eligible employee
- Offer a wage of at least 120% of CA minimum wage (\$18.60/hr in 2023)
- Make a tentative [credit reservation](#) within 30 days of completing the [New Hire Reporting Requirement](#)

The [Alameda County Workforce Development Board](#) can assist businesses in hiring eligible employees

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Breaking Barriers: Job Access for Potential Employees

Agencies serving unhoused individuals in California follow a "Housing First" approach in policies and programs, which prioritizes first providing permanent housing supports to those in need, then working to address aspects of their lives that could provide stability and self-sufficiency. **Secure, full time employment with an income at a livable wage is a critical component in strengthening the path out of homelessness.** Some housing support programs offer a subsidy that decreases over time, so that the participant assumes more of the financial responsibility after stabilizing. In a community with housing costs as high as Alameda County, it is critical that participants have a true livable wage to make ends meet – and maintain their housing.

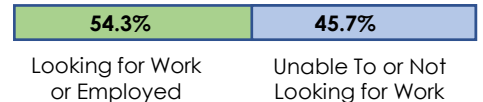
The 2023 Fair Market Rent for a one-bedroom apartment in the Oakland area is \$1,969 – a cost that would consume more than 75% of a \$15 minimum wage worker's income. While there are a number of potential causes of homelessness, the inability to afford rent is definitive. With the 30% wage increase component of the HHTC, housing would drop to 63% of a worker's income. This is still higher than service providers would like to see, as the ultimate goal is for housing to cost no more than 30% of monthly income, but the increased income still leaves more than \$500 available at the end of the month.

As the 2022 Point-In-Time Count (PIT) indicates, employment is a primary factor as either the cause of homelessness or what might have been preventative. **A majority of unhoused individuals in Alameda County are looking for work** or are employed, with about 3,500 unhoused job seekers needing support to remove barriers to stable employment. In a market where many jobs are still unfilled, **these job seekers are an untapped resource** that, with the right support, can reintegrate in society.

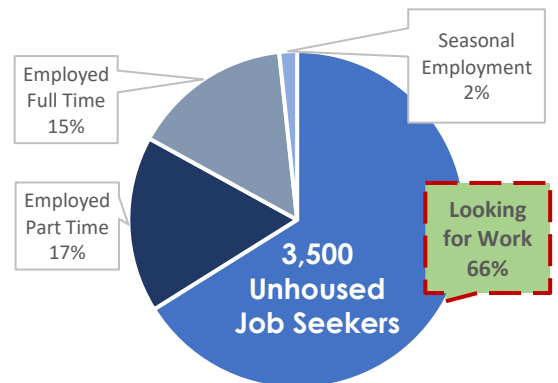
As noted in the PIT, 54.3% of unhoused people have 0 or 1 barrier to employment, discounting disability or health concerns. These other top barriers can be addressed by targeted intervention: transportation, clothing/shower facilities, access to a phone or internet, or support securing necessary identification records. These barriers are not insurmountable, and once ameliorated, allow the new employee to experience the benefits of work: a steady income, the development and utilization of work skills, **reintegration in society, and a stabilized path toward self-sufficiency and manifesting their personal life goals.**

2022 Point in Time Count Findings

In Alameda County, 5,290 unhoused individuals are looking for employment or are already employed



Unhoused Individuals Looking for Work or Employed



What Might Have Prevented Homelessness

37%



Employment Assistance

Primary Cause of Homelessness

22%



Job Loss