STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0115

California Legislature

August 14, 2020

The Honorable Phil Ting California State Assembly State Capitol, Room 6026 Sacramento, CA 95814 The Honorable Robert Hertzberg California State Senate State Capitol, Room 313 Sacramento, CA 95814

Re: Request for Necessary Relief for our Latino Communities as part of any Legislative Economic Stimulus Plan

Dear Assemblymember Ting and Senator Hertzberg,

We applaud the leadership you have taken in announcing an ambitious, broad Joint Economic Stimulus Plan for the State of California to counter the dramatic, unprecedented effects of the COVID-19 pandemic. We strongly agree that the State Legislature must be doing all it can to protect and provide necessary relief, including economic stimulus efforts. However, any such efforts must prioritize our most vulnerable communities, including our state's large Latino population.

Recent reports of COVID-19 outbreaks linked to Latino essential workers in communities across California make clear more must be done to protect this vulnerable population. Latinos in many ways constitute the backbone of this state, yet they have been disproportionately affected by the virus. Accordingly, your Joint Economic Stimulus Plan must better prioritize relief measures to support our Latino communities, including, in particular: the provision of rental assistance, expansion of the California Earned Income Tax Credit (CalEITC), and accelerated and expanded funding for permanent, safe housing solutions like the State Low-Income Housing Tax Credit (LIHTC) Program, the California Farmworker Housing Assistance Tax Credit Program, and the Joe Serna, Jr., Farmworker Housing Grant Program (FWHG).

Latino Workers Urgently Need Additional COVID-19 Relief

With a rising number of COVID-19 cases and hospitalizations once again facing our state, Latino workers—especially those working in essential roles, including in agriculture and our food supply chain—are uniquely vulnerable to the spread of the virus. Agricultural workers, for example, often live in crowded households, work shoulder-to-shoulder without PPE or adequate sanitation facilities, and commute to work on crowded buses. Acknowledging the unique issues these workers face, the Center for Disease Control and the U.S. Department of Labor recently warned that "[a]griculture work sites, shared worker housing, and shared worker transportation vehicles

present unique challenges for preventing and controlling the spread of COVID-19..." Working and residing in these conditions frequently makes social distancing and self-isolation impossible, and once introduced, COVID-19 can spread very quickly.

As a result, agricultural workers – particularly Latino agricultural workers – have been disproportionately impacted by the virus. For example, in Monterey County, home to the rich farmlands of the Salinas Valley, the County Health Department recently reported that 39% of that county's total confirmed COVID-19 cases are agricultural workers and that Latinos make up at least three-quarters of all cases. Altogether, Latinos make 39% of the State's population but over 56% of the State's positive COVID-19 cases. Add to this the fact that one quarter of farmworkers are 50 years old or older and face increased risk of serious complications. And farmworkers have higher rates of co-morbidities for COVID-19, such as asthma, diabetes, obesity, hunger, malnutrition, heart disease, and chronic stress.

As a result, the reports of outbreaks among essential workers are becoming all too frequent throughout our state, including, for example, 153 positive cases at a food processing plant in Los Angeles County, 176 cases at a farmworker housing complex in Ventura County, dozens of cases at a pistachio farm in Kern County, clusters among North Bay farmworkers, and outbreaks in produce packing houses in Santa Paula and Coachella. Further, COVID-19 spread at this rate among agricultural and other essential workers will inevitably threaten our State's food supply chain. The time for further action is now to adequately protect the health and safety of our agricultural workers for the duration of this crisis. We especially urge your attention to the following issues, as part of your Joint Economic Stimulus Plan:

(1) Provision of Rental Assistance

The Latino community is far more likely to be faced with housing cost burdens in California. According to the <u>UC Berkeley Terner Center for Housing Innovation</u>, Latino renter households are disproportionally affected by COVID-related job losses. While tenants have been partially protected during COVID-19 by a combination of federal, state, and local eviction moratoriums and financial assistance programs, these programs are set to expire soon. Therefore, we request a prioritization of rental assistance efforts to ensure the Latino farmworker community is supported in the proposed Joint Economic Stimulus Plan.

We specifically request that rental assistance programs for undocumented immigrants in California help fill the gap left behind by the exclusion of undocumented immigrants under the federal CARES Act. For example, Housing Retention Programs from the Cities of Berkeley and Fresno demonstrate the opportunity for ongoing housing retention assistance programs to effectively target urgent housing needs. Should additional funding be made available, municipalities can work collaboratively with local non-profits to administer rental assistance programs to help pay for housing-related expenses for residents or low-income tenants who are at imminent risk of losing permanent housing.

¹ See Agriculture Workers and Employers: Interim Guidance from CDC and the U.S. Department of Labor, available at https://www.cdc.gov/coronavirus/2019-ncov/community/guidance-agricultural-workers.html.

According to an April 2020 PPIC report, 39 percent of California residents are Latino. As of 2019, it was also estimated that 16.9 million Californians were tenants, of which nearly 9.6 million individuals were of Hispanic and Latino descent. By providing housing retention relief to this population, California can help support and protect the Latino community from evictions, homelessness, and poverty.

(2) Expansion of the California Earned Income Tax Credit (CalEITC)

The California Earned Income Tax Credit (CalEITC) has proven to be one of the most effective economic stimulus tools available to the state of California. In 2019, more than 2.6 million California households claimed the credit, leading to \$14 billion in economic activity as well as the creation of 74,000 jobs across the state.2 California is home to more than 2 million undocumented immigrants, who contribute to the economy and are estimated to pay more than \$3 billion annually in state and local taxes—from sales and excise taxes, local property taxes, and income taxes. ITIN filers chose, despite the grave danger under the current federal administration, to identify themselves to the IRS in order to pay their taxes and contribute financially to their communities. Yet many of them continue to live under or dangerously close to the poverty line. Extending the CalEITC to all income-eligible tax filers will help assuage the current and expected effects of the COVID-19 pandemic for over 600,000 individuals, including 200,000 children. Currently, an entire family is ineligible for CalEITC if a single member files with an ITIN, thus excluding children who are US citizens or legal permanent residents who live in a mixed-status household. Removing this exclusion, and making access retroactive for the 2018 filing year, is the most efficient and immediate way to provide undocumented taxpayers the resources necessary to stay afloat in this period riddled with health anxieties and financial uncertainties.

(3) Funding for Safe, Permanent Housing Solutions

Many of California's Latino essential workforce live in crowded or substandard housing spaces. We therefore include the following three requests to ensure Latino workers have better opportunities to find more permanent, safe housing options.

First, we request that funding for the State Low-Income Housing Tax Credit (LIHTC) Program, which supports housing projects for California's most vulnerable residents, be doubled. This year's State Budget allocated a total of \$500 million to the broader State Low-Income Housing Tax Credit (LIHTC) Program. In light of the impacts of the pandemic, that number should be doubled, with an additional \$500 million allocated as part of the Economic Stimulus Plan, for a total of \$1 billion.

Second, similarly, we request a substantial expansion of the California Farmworker Housing Assistance Tax Credit Program, to at least \$100 million. The current designation of \$500,000 for these credits is far too little to support the large number of projects needed to deliver new, permanent, safe housing for our farm and other agricultural workers. An expansion of the Program will speed up projects already in the pipeline and incentivize new ones—projects needed all the more by farmworkers in light of the COVID-19 health crisis.

² Our Fair Share: The Earned Income Tax Credit's Crucial Role During a Recession. Golden State Opportunity. http://www.goldenstateopportunity.org/OURFAIRSHARE.pdf.

Third, we request an additional \$100 million to be allocated from the Stimulus Plan to the Joe Serna, Jr. Farmworker Housing Grant Program. The purpose of this program is to finance the new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers. Currently, we understand that the \$74M allocated for this program last year has been exhausted, so it is in critical need of additional funding.

Latino workers are putting their health and – indeed – lives on the line to keep our state moving forward during this pandemic. We are confident that by working together, however, we can take the additional steps necessary to keep them safe. Please do not hesitate to reach out to any of us directly, with any questions. Your staff can also reach out to Assemblymember Robert Rivas's Chief of Staff, Spencer Jones, at (916) 319-2030. Thank you for your attention to these urgent issues.

Sincerely,

ROBERT RIVAS

Assemblymember, 30th District

SUSAN TALAMANTES EGGMAN Assemblymember, 13th District

ELOISE GÓMEZ REYES

Assemblymember, 47th District

JOAQUIN ARAMBULA Assemblymember, 31st District

CC: The Honorable Anthony Rendon, Speaker, California State Assembly
The Honorable Toni Atkins, Pro Tem, California State Senate
Chair Lorena Gonzalez, Latino Caucus, California Legislature
Vice-Chair Maria Elena Durazo, Latino Caucus, California Legislature