

COVID-19 Update From EKA – March 28, 2020

EKA's media, government, public relations and crisis support services teams are tracking the state, local and national government responses to the COVID-19 crisis. This update has been prepared for informational purposes only and is not offered, nor should be construed, as legal advice. Below are some of the significant government-related developments over the last 24 hours. Our next update will be on Monday.

COUNTY OF LOS ANGELES

Be Prepared to Isolate, Quarantine

The Los Angeles County Department of Public Health Director is now advising every resident to prepare for the possibility of isolation or quarantine. As mentioned in our last update, the Health Director issued a public order that requires the self-isolation of any person who tested positive for COVID-19 or is presumed by their physician or clinician to be positive for COVID-19. In addition, the order also requires the quarantine for all close contacts, including household members and caregivers. For those tested positive in L.A. County, seven days of isolation is now required. You can read the Self-Quarantine Order [here](#) and the Self-Isolation Order [here](#).

The Department of Public Health [issued a Public Order](#) today temporarily closing all public trails and trailheads, beaches, piers, beach bike paths, and beach access points in Los Angeles County (except Long Beach and Pasadena, which are outside its jurisdiction). The Ballona Creek Bike Path is still open because it is a non-beach bike path.

CITY OF LOS ANGELES

The Los Angeles City Council late yesterday approved several emergency measures yesterday that affect residents and businesses:

- Adopted an [ordinance](#) requiring all retail food stores to set aside an hour a day for seniors. The ordinance defines any retail food store as a grocery store and convenience store that primarily sells canned food, dry goods, fresh fruits, vegetables, meat, fish and poultry. Under the ordinance, Costco would also be required to abide by the new rule, as well as any "membership-only warehouse club" that meets the above merchandise parameters. Stores that are less than 2,500 square feet are exempt, as are restaurants that sell market provisions.
- Adopted a moratorium on evictions for residential and commercial tenants unable to pay rent due to COVID-19 related reasons. Set up the ability for tenants to work out a repayment plan with landlords. Tenants now have up to 12 months to repay past rent, starting from when the local emergency orders are lifted. As noted later in this report, Gov. Newsom signed an executive order Friday banning the enforcement of evictions for renters affected by the coronavirus outbreak, similar to the City's emergency laws.
- Voted to have a report provided on the economic effects of the ordinance and how the stimulus bill augments the emergency law, and whether the council should amend it in the near future.
- Voted to allow city contracts under \$100,000 not have to be put in writing, if they're related to addressing the Pandemic.

- Decided to postpone a vote on whether to require employers to rehire employees who had been laid off during the coronavirus outbreak, with some exceptions.
- Councilman Ryu introduced a motion that will also be considered at the next meeting to freeze all rent and utility increases for the duration of the Pandemic.

COVID-19 Testing

At this time, testing is limited in the City of Los Angeles. Tests are strictly limited to residents of Los Angeles who are in the most high-risk categories and most vulnerable. Individuals eligible for testing at this time include:

- Those with symptoms who are 65 and older
- Those with symptoms who have underlying chronic health conditions
- Those who are subject to a mandatory 14 day quarantine period due to a confirmed COVID-19 exposure (with more than seven days of quarantine remaining)
- For more questions about testing, the City created a [FAQ](#) document. You can click [here](#) to find out if you're eligible for a test

More Closures

Mayor Garcetti announced that outdoor sports amenities at Recreation and Parks facilities throughout the City of Los Angeles would be closed to the public to support the urgent need for physical distancing during the COVID-19 emergency period. The announcement covers the closure of all outdoor sports amenities — including skate parks, tennis courts, baseball fields, and basketball courts. Parks remain open for walking or running; however, when at a park for any reason. All recreation centers, senior centers, and playgrounds are also closed, and all recreation and cultural programming, indoor and outdoor sports leagues, aquatics classes, instructional courses, and group sessions have been canceled.

Parking

The Mayor has directed City departments to relax parking and law enforcement for violations related to vehicle registration and driver's license cards during the COVID-19 emergency period. The Mayor's [memorandum](#) "directs the General Manager of the Department of Transportation to ensure that its parking officers refrain from ticketing or towing any vehicles for expired registration during this emergency period. Vehicle owners shall remain subject to all other parking enforcement restrictions, consistent with state and local laws and applicable emergency orders.

LAPD

The Mayor directed the Chief of Police to issue guidance to police officers to refrain, during this emergency period, from issuing citations for driver's licenses or vehicle registrations that have expired in the last six months. Drivers within the City of Los Angeles will nonetheless be expected to obey all other laws. The Mayor said that nothing in his memorandum should be construed to suggest that the Police Department will not be enforcing all moving violations, consistent with state and local laws and any applicable emergency orders. In the same memorandum, Mayor Garcetti also directs City Departments to lift bureaucratic hurdles to securing necessary supplies — personal protective or construction equipment, hand sanitizer, masks, and gloves — so that workers can get them even more quickly when they are needed.

LADOT

LADOT Transit has temporarily reduced services until further notice. The temporary modifications affect Commuter Express, DASH Downtown, Community DASH, and LAnow. LAnow service will be suspended beginning Monday, March 30 and Commuter Express and Community DASH will begin modified services on Thursday, April 2. Overall service levels for DASH will be reduced by 15%, while Commuter Express will reduce service by approximately 50%. These changes follow schedule changes already in effect for DASH Downtown. DASH Observatory/Los Feliz—Service to Griffith Observatory will also be suspended beginning Thursday, April 2, however, the Los Feliz portion of the route will continue to operate from 7 am to 6 pm.

Safer At Home

The "[Safer at Home](#)" emergency order requires City of Los Angeles residents to remain in their homes except for the most essential activities — including critical tasks such as securing food and health, safety and medical necessities, as well as caring for children, elder adults, family, friends and people with disabilities. Mayor Garcetti and City Attorney Feuer said this week that the City would strengthen [enforcement](#) against out-of-compliance businesses as necessary. The Mayor took a series of emergency actions, including a [plan](#) to shelter thousands of homeless quickly, [restrictions](#) placed on bars, nightclubs, restaurants, movie theaters, entertainment venues, bowling alleys and arcades, gyms and fitness centers; and [limits](#) on public gatherings in City facilities. The Mayor also placed a [moratorium](#) on residential and commercial evictions and water and power shutoffs.

LONG BEACH

Port

The Port of Long Beach said terminals are open and operating. There were eight container vessels, six bulk vessels, and two oil tankers for a total of 16 ships docked at the Port. Harbor Department administrative buildings are closed to the public, but normal functions continue and staff is facilitating cargo operations.

Closures

Below are resources and services to help guide your active development City-related projects.

- Long Beach City Hall (including the Permit Center and Neighborhood Resource Center) are closed to the public until further notice. However, City Departments such as Economic Development (E.D.), Development Services (DV) and Public Works (P.W.) will continue to operate virtually via phone, website and email communications
- City Business Support: Visit E.D.'s website [Link](#) for the most up-to-date business support information and resources.
- City Planning Support: Visit the DV's Planning Bureau's website [Link](#) for more information pertaining to project updates, plan checks, entitlements and public noticing. If you need to speak to a DV Planning representative, call the zoning hotline at 562-570-6194.
- City Building and Safety Support: Visit the Building and Safety Bureau's [Link](#) for information pertaining to Permit Center plan submittals and inspection services. Effective March 18, 2020, the Development Permit Center will begin accepting plans in PDF format. Small file projects can be emailed to DV-BuildingSafety@longbeach.gov. City

staff will contact applicants with all relevant details and instructions. Mid-to-large size file projects can be uploaded to the City system. For instructions on how to upload projects, contact 562-570-7086 or email DV-EPlan-Submit@longbeach.gov. City staff will contact applicants with all relevant details and instructions. Contractors registered on the City online permitting system can continue with their project submittals as before.

- City Inspections Support: City building inspection teams will continue to provide services for residential and commercial projects requested within 24 hours. Please note public health precautions will be taken to protect the public as and inspectors from COVID-19 such as: asking if there is anyone sick on the property or project prior to starting inspection; avoiding handshaking; and implementing social distancing practices during the inspection as required by the City's Health Officer. Visit the DV Inspection [Link](#) for more information or if you need to speak to a DV Inspection representative, call 562-570-PMIT(7648) during business hours.
- City Public Works Support: the City's P.W. Engineering Bureau will continue to provide design and construction services. For more information, call (562) 570-6383 during business hours. Visit the Public Works Department website at [Link](#) for more information.

These changes were put into effect by the Acting City Manager Tom Modica with the Emergency Powers granted through the [Proclamation of Local Emergency](#).

CULVER CITY

The Culver City Farmers Market will reopen on Tuesday, March 31, 2020 from 2 pm to 7 pm on Main Street using established operating procedures that exceed the recommendations of the Los Angeles County Department of Public Health. However, it requires patrons' cooperation to protect the public effectively. For more information, visit the Culver City Farmer's Market [website](#).

SACRAMENTO

Judicial Council Emergency Authority

Governor Gavin Newsom signed an executive order to enhance the authority of California's Judicial Branch to take emergency action in the face of the COVID-19 crisis. Specifically, the executive order empowers the Judicial Council and the Chief Justice of the California Supreme Court to take necessary action to be able to conduct business and continue to operate while responding to the COVID-19 Pandemic. The order does not affect any existing court order or rule. The order allows the Judicial Branch to allow for remote depositions in every case (the law had previously required that parties be deposed in person) and electronic service of process. Additionally, the order leaves the Judicial Branch discretion to make any modifications to legal practice and procedure it deems necessary in order to continue conducting business. A copy of the Governor's executive order can be found [here](#), and the text of the order can be found [here](#).

Statewide Ban On Evictions

California Gov. Gavin Newsom issued an [executive order](#) banning evictions through May 31 due to the coronavirus outbreak. Under the order, which takes effect immediately, landlords are

prohibited from evicting tenants who are unable to pay all or part of their rent, and law enforcement and courts are barred from enforcing evictions.

ABC Releases New Guidance

The Director of the California Department of Alcoholic Beverage Control (ABC), released a new document on ABC's public website called [Guidance by License Type](#) to help California's alcoholic beverage industry during the COVID-19 Pandemic. The new guidance tool is an easy to use, quick reference document that shows what licensees with on-sale privileges are able to do under the just-released [Notice of Regulatory Relief](#) that covers eight main topics affecting the alcoholic beverage industry. The new Guidance by License Type tool, along with ABC's updated [Frequently Asked Questions](#), are very helpful to those who have ABC questions.

NATIONAL

Department of Labor – Sick Leave Requirement

Yesterday the Department of Labor issued some additional guidance on the new [Families First Coronavirus Response Act \(FFCRA\)](#) which requires all employers with fewer than 500 employees to provide Emergency Paid Sick Leave and Emergency Family Medical Leave Act leave. This [guidance](#) includes answers to some frequently asked questions we have been receiving from our members, including:

- Whether employees are entitled to FFCRA leave if your business has shut down or if you have had to furlough employees or reduce hours (Qs. #23-28)
- Whether employers can require documentation of the need for leave (Q. #16)
- Whether employees can take leave intermittently (Qs. #20-22)
- Continuation of health care coverage during FFCRA (Q. #30)

The new guidance announced augments information WHD published earlier this week, including a [Fact Sheet for Employees](#), a [Fact Sheet for Employers](#) and a [Questions and Answers](#) document. Additional guidance is forthcoming. WHD also provided [additional information](#) on common issues employers and employees face when responding to COVID-19 and its effects on wages and hours worked under the Fair Labor Standards Act and job-protected leave under the Family and Medical Leave Act.

Coronavirus Aid, Relief, and Economic Security Act (CARES)

The Coronavirus Aid, Relief, and Economic Security, or "[CARES Act](#)"—the third emergency bill that Congress has prepared in response to COVID-19 Pandemic was signed into law yesterday. We have been reviewing the bill for its relevant provisions for EKA clients. The U.S. Chamber of Commerce has put together [a document](#) on what small businesses need to know.

Small Businesses

The 76-page [legislation](#) has significant relief for small businesses, including \$349 billion in Small Business Administration (SBA) loan guarantees and subsidies and additional funding for SBA programs. A general overview and highlights include:

- Expansion of SBA's 7(a) Loan Program to Support New "Paycheck Protection Program" Loans. The SBA's existing 7(a) program will see:
- Increase in maximum loan amount to \$10 million.

- Allowable uses expanded to include:
 - Payroll support (including paid sick or medical leave);
 - Employee salaries;
 - Mortgage, rent and utility payments;
 - Insurance premiums; and
 - Other debt obligations.

Loan Forgiveness. Certain borrowers would be eligible for loan forgiveness equal to the amount spent during an eight-week period after the origination date of the loan on:

- Payroll costs;
- Interest payment on any mortgage incurred before February 15, 2020;
- Rent on any lease in force before February 15, 2020; and
- Utilities for which service began before February 15, 2020.

The amount forgiven would be reduced in proportion to any reduction in employees retained compared to the prior year and to the reduction in pay of any employee beyond 25% of prior year compensation. No personal or collateral guarantee will be required. The eligible recipient does not have to certify that it is unable to obtain credit elsewhere. Eligible borrowers must make a good faith certification that the loan is necessary due to the uncertainty of current economic conditions caused by COVID-19; that funds will be used for a permitted purpose; and that they are not receiving fund from another SBA program for the same uses.

- Maximum term of loan is 10 years.
- Interest rate cannot exceed 4% but interest payments are completely deferred for 1 year.
- No prepayment penalty.

Following a detailed application, the loan will be eligible for partial forgiveness in an amount (not to exceed the principal amount of the loan) equal to the sum of payroll costs, rent and utilities expenses, and interest payments on mortgages so long as any such lease, mortgage, or utility was in service prior to February 15, 2020 and, in each case, paid during the eight-week period commencing on the date of the loan. In other words, forgiveness will be limited to the actual payment of certain types of permitted expenses actually incurred before the covered period started and paid after the loan was secured. Rental payment under a lease in effect as of January 1, 2020, would be eligible for forgiveness while rental payment under a lease effective as of March 15, 2020, would not. Eligible payroll costs do not include compensation above \$100,000. Loans will be made by lenders who are participants in the SBA's Section 7(a) program and those lenders will also decide whether to accept a borrower's application for forgiveness. Such decisions must be made within 60 days of receipt of the application for forgiveness. Not later than 90 days after the loan forgiveness amount has been agreed by the lender, the SBA is authorized to reimburse the lender directly for the principal amount of any forgiven debt, plus interest accrued through the date of repayment. The amount of any loan forgiveness will be reduced by any meaningful reductions in employee wages (in excess of 25% for any employee) or layoffs of employees during the covered period in accordance with the terms of the program. Borrowers that rehire workers previously laid off will not be penalized for having reduced payroll at the beginning of the period. There will not be a cancellation of indebtedness income recognized upon forgiveness for tax purposes. Any loan amount not

forgiven at the end of one year is carried forward as an ongoing loan with a maximum term of 10 years and a maximum interest rate of 4%.

Maximum Amount of Loan

As detailed in a [U.S. Chamber posting](#), the maximum loan amount is the lesser of \$10 million or the product obtained by multiplying average total monthly payments for payroll costs during the one year before the loan is made by 2.5. So if the loan was made on April 1, 2020, and average monthly payroll costs for the period April 1, 2019, to April 1, 2020, were \$1,500,000, the maximum loan amount would be \$3,750,000. The loan can also include the outstanding amount of a loan made under the SBA's Disaster Loan Program between January 31, 2020, and the date on which such loan may be refinanced as part of this new program.

Existing SBA Disaster Loan Program

In a COVID-19 update, we highlighted the SBA's disaster assistance loans that were made a part of Congress's second emergency bill, the [Coronavirus Preparedness and Response Supplemental Appropriations Act](#) signed into law on March 6, 2020. Under that law, the SBA expanded the ways in which businesses could apply for an Economic Injury Disaster Loan (EIDL). Importantly, under the CARES Act, a borrower that receives a 7(a) loan for employee salaries, payroll support, mortgage payments and/or other debt obligations would not be able to receive an EIDL for the same purpose, or co-mingle funds from another loan for the same purpose.

Penalty-Free Withdrawals & Loans From 401(K)

As detailed in a [Tax Foundation post](#), the CARES Act allows people to take a withdrawal their retirement savings, including 401(k)s or individual retirement accounts, without the typical penalty. **401(k) plan emergency withdrawals:** Plans may permit individuals financially impacted by COVID-19 to withdraw up to \$100,000 in emergency funds from their plan retirement accounts or IRAs through December 31. An individual is considered to be financially impacted by COVID-19 if:

- The individual is diagnosed with COVID-19;
- Their spouse or dependent is diagnosed with COVID-19; or
- The individual experiences adverse financial consequences as a result of being quarantined, furloughed, laid off or having work hours reduced due to COVID-19, or is unable to work due to lack of childcare due to COVID-19, or a business owned or operated by the individual closes or reduces hours due to COVID-19.

Plan administrators may rely on an employee's certification that the employee meets one or more of these conditions in determining whether a distribution is permitted. Any funds withdrawn may be repaid into the same retirement accounts for up to three years in one or more contributions. The participant may also repay the amount into a different retirement account and treat the amount as an eligible rollover distribution. If the individual does not repay the amount to an eligible retirement plan, the distribution will be included in taxable income over a period of three years. Individuals who take such a withdrawal before age 59½ will be exempt from paying the usual 10 percent penalty on early withdrawals from retirement accounts.

Emergency Loans

As detailed in [Consumer Reports](#), people may take 401(k) plan emergency loans. Plans may permit individuals financially impacted by COVID-19 (using the same definition as for 401(k) plan emergency withdrawals) to take loans of up to \$100,000 from their retirement accounts (instead of the usual limit of \$50,000). Loan repayments, which can be spread out over five years, may be delayed up to one year.

Retirees

As detailed in an [AARP posting](#), Individuals affected by the coronavirus will be permitted to take a withdrawal from their retirement accounts (IRAs, 401(k)s, etc.) of up to \$100,000, without paying the usual early-withdrawal penalty. In addition, the sum withdrawn may be recontributed to a retirement account within three years, without being subject to the usual annual contribution caps. If it's not repaid, the withdrawal will be taxed as ordinary income tax rates over a three-year period. Notably, the definition of eligibility for penalty-free early withdrawals is rather expansive, encompassing anyone experiencing any economic effects due to the virus. In addition, the limit on loans from retirement plans is increased from its existing \$50,000 to \$100,000 and the existing limitation that loans may not exceed half the vested account balance has been removed. Due dates for new loans or loans already outstanding are also to be extended by one year. The legislation waives the required minimum distributions for IRAs and other individual retirement accounts for the calendar year 2020.

Other CARES Act Provisions

The legislation provides billions of dollars in credit for struggling industries, a significant boost to unemployment insurance and direct cash payments to Americans. As detailed in this [eight-page document](#) from the House, the measure increases unemployment payments and extends the benefit to those who typically do not qualify, such as gig economy workers, furloughed employees and freelancers. The bill increases the maximum unemployment benefit that a state gives to a person by \$600 per week for four months. The bill also provides for [direct payments to Americans](#), giving individuals who make up to \$75,000 a year checks for \$1,200, couples making up to \$150,000 payments of \$2,400, and an additional \$500 per child. The payments decrease for those making more than \$75,000, with an income cap of \$99,000 per individual or \$198,000 for couples. The American Hospital Association [recap of the legislation](#) points out that the bill also provides \$100 billion to hospitals; \$350 billion to small businesses; \$500 billion to corporations, including airline companies and cruise lines; and about \$150 billion for state and local stimulus funds.

CONNECTING EKA CLIENTS & RESOURCES

EKA Business Resources

Several clients have contacted us as they prepare for operations after public health has been restored. We recognize that the COVID-19 outbreak is first and foremost a human tragedy, affecting millions of people. EKA has been gathering information to help businesses plan for and respond to the Pandemic. If you have any questions about the availability of government resources to assist your Company during these uncertain times, please call your EKA contact. As always, we are available to address your questions and concerns.

EKA's Alliance Partner [A.P. Triton](#) stands ready to assist local, county and state governmental agencies in their planning and preparation for the COVID-19 Pandemic. Since the onset of the Pandemic, A.P. Triton has fielded numerous calls from existing clients as well as cities, counties and Fire service leadership on how best to implement best practice models to keep first responders safe, but at the same time, respond to the needs of their communities.

- A.P. Triton has developed and implemented, quickly, several practices and deployment models for first responders that ensure safety and provide the highest levels of continuity of service delivery.
- A.P. Triton understands this is a challenging time for cities and specifically for first responders. We are working hard to minimize the disruption of service delivery to communities by assisting local and county governments in developing practices to ensure the highest level of service during these difficult times
- A.P. Triton stands ready to assist and answer any questions municipalities have regarding how best to respond to the needs of your community, but at the same time, keep your first responders safe in that effort.

If you are interested in this offer, please reach out to Eric Rose at Eric@ekapr.com

Avaya

EKA Client [Avaya](#) wants to help our communities more easily communicate and collaborate. Given the immediate needs in the education, nonprofit and public sectors to maintain continuity and keep students, volunteers, city councils and employees engaged, Avaya has taken action to help. Avaya is providing Avaya Spaces™ (Business Version) at **no charge** with no obligation worldwide through August 31, 2020. This cloud-based app is easy to use and provides video conferencing, team spaces, and file sharing. Here is the link to [Avaya Spaces](#) and the [User Guide](#). The links below will help to provide:

- An [overview of Avaya Spaces](#), which can be shared with your users to help to get acclimated with the Avaya Spaces environment.
- [Education videos](#) that will show end users how to utilize features and functionality of Avaya Spaces.

If you are interested in this offer, please reach out to Marcus Allen at Marcus@ekapr.com, who will initiate the request with Avaya. This free offer does not require the end user to be a current Avaya customer.