

COVID-19 Update From EKA – April 2, 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 and is compiled from publicly available sources and is not intended to be legal or tax advice. All hyperlinks below are live and will bring you to the information mentioned.

A New Required Poster Under FFCRA

Part of the Families First Coronavirus Response Act ([FFCRA](#)) [mandates employers](#) to post the notice regarding Employee Rights Under the FFCRA – Sick Leave and Expanded FMLA. This new law is effective April 1, 2020, through December 31, 2020. Be sure to post this [non-federal Employer Version](#) or, if you are a federal employer, this [Federal Employee Rights Under the FFCRA](#) poster. Employers may also satisfy the posting requirement by emailing or direct mailing this notice to employees or posting it on your internal or external website. More information about these requirements and other impacts on employers due to COVID-19 are in the National section below of this update. A Spanish Language version of the poster can be found [here](#) and [here](#).

COUNTY OF LOS ANGELES

Protecting Workers of Los Angeles County

As detailed in our April 1 update, a [Motion](#) Supervisors Hahn and Solis was read-in during the last Board of Supervisors meeting (introduced with no discussion) and passed on consent. The motion calls for studying the feasibility of implementing employee protections and consulting with external stakeholders and labor representatives. After you review the proposal and related information and have concerns, requests, or suggestions, the Board wants to hear from you. You can email each Board office with your input. Comments can be provided via email to:

District 1 (Solis) Chief Deputy Cindy Chen Cchen@bos.lacounty.gov

District 2 (Ridley-Thomas) Chief Deputy Dorinne Jordan djordan@bos.lacounty.gov

District 3 (Kuehl) Chief Deputy Lisa Mandel lmandel@bos.lacounty.gov

District 4 (Hahn) Chief Deputy Nick Ippolito NIppolito@lacbos.org

District 5 (Barger-Board chair) Chief Deputy Anna Mouradian amouradian@bos.lacounty.gov

Los Angeles County Schools

[Los Angeles County Superintendent of Schools](#) Debra Duardo recommended that school campuses remain closed through the end of the academic year. Duardo's recommendation followed similar recommendations in recent days by Governor Gavin Newsom and State Superintendent Tony Thurmond to plan for remote learning through the 2019-20 school year as the coronavirus epidemic unfolds across California. Extending a school closure is a local decision that will be made by each school district. All schools in the Long Beach Unified School District will extend through the end of the academic year, or June 11, due to the ongoing coronavirus pandemic. The schools had been tentatively scheduled to resume on Monday, May 4. During school closures, students and parents can use the [Home Learning Opportunities webpage](#) to find resources specific to each school.

Tenant Protections for Renters

On Tuesday, the Los Angeles County Board of Supervisors issued an executive order placing a temporary rent freeze on eligible residential properties in the unincorporated areas of Los Angeles County in response to the COVID-19 health emergency. The temporary rent freeze is the latest in a series of protections the Board has enacted to protect renters, including an eviction moratorium and rent stabilization ordinances for multi-family units and mobilehomes. The **temporary rent freeze** means that owners of multi-family housing properties built before February 1995 in unincorporated Los Angeles County may not increase the rental cost for their tenants until May 31, 2020, unless extended. This follows the Board's actions from March 18, 2020, in which a temporary moratorium on certain residential and commercial evictions in unincorporated Los Angeles County was enacted. The **eviction moratorium**, which is effective from March 4 to May 31, unless extended, includes a ban on evictions for:

- Nonpayment of rent, if the Tenant can show they have been financially impacted by the COVID-19 pandemic due to:
 - A diagnosis of COVID-19 or caring for a household or family member who is diagnosed with COVID-19
 - Layoff, loss of hours, or other income reduction resulting from business closure or other economic or employer impacts of COVID-19
 - Compliance with a recommendation from the County's Health Officer to stay home, self-quarantine, or avoid congregation with others during the state of emergency
 - Extraordinary out-of-pocket medical expenses related to diagnosis and testing for and/or treatment of COVID-19
 - Child care needs arising from school closures related to COVID-19
 - A no-fault reason, which encompasses evictions where the notice to terminate a tenancy is not based on alleged fault by the Tenant, unless necessary for health or safety of the Tenant, neighbors, or the property owner

Yesterday was the effective date of the permanent Rent Stabilization Ordinance and Mobilehome Rent Stabilization Ordinance in unincorporated L.A. County. The ordinances limit the amount of rent increases and extend eviction protections for eligible rental units and mobilehomes in the unincorporated areas of Los Angeles County. As part of the eviction moratorium, **tenants must notify their landlord** within seven days after their rent is due that they are unable to pay due to a loss of income related to COVID-19. Tenants must pay back any rent owed within six months after the moratorium ends. To find out if a property is in an unincorporated area of Los Angeles County, click [here](#) and use the "Find Your District" feature at and select "District Map Look Up By Address."

EOC Update

To read the latest Los Angeles County Emergency Operations Center COVID-19 update, click [here](#).

First Responders

Starting today, healthcare workers, police officers and firefighters with valid I.D. or uniform will receive free coffee and Egg McMuffin sandwich at participating McDonald's restaurants in Los Angeles, San Diego, Orange, Riverside, San Bernardino, Ventura and Imperial counties during breakfast hours (until 10:30 a.m.)

LOS ANGELES

Safer at Home

City leaders have made it clear that they will not hesitate to close businesses deemed "non-essential" as well as construction sites that don't practice social distancing while emergency orders are in place. The City's Business Ambassadors program and crisis response teams have been asking non-essential businesses that have remained open to shut down, and they've visited about 540 of them. The LAPD has visited about 144 of those locations, and most have complied, with only four being referred to the City Attorney's Office for possible citations. The Mayor said construction sites will now be required to adopt certain plans and protocols to keep their workers and the public safe. They will be required to check workers for symptoms of coronavirus and educate them on coronavirus prevention measures. Their employees will also be required to work at least 6 feet apart and cannot share tools, phones or other individual materials.

Mayor's Fund LA

The Mayor is bringing together philanthropy, nonprofits, business and Government to raise funds for COVID-19 relief efforts. Donations can be made at [MayorsFundLA.org](https://www.mayorsfundla.org)

Face Coverings

Mayor Garcetti said in a [Tweet](#) that he has been awaiting advice from the U.S. Centers for Disease Control and Prevention on mask-wearing but with the COVID-19 rate surging had decided to wait no longer and suggested that residents wear masks and face coverings. He said that residents could use homemade face coverings but should avoid buying medical grade or N95 masks that are in short supply for front line health care workers, the Mayor said during his daily news conference. According to a [Sacramento Bee story](#), some evidence shows wearing a face covering may reduce spread of coronavirus, but masks are still no substitute for physical distancing, California's top public health official said Wednesday, outlining new official guidance. Although there's some evidence masks could slow the spread of the virus by blocking some saliva droplets, California Department of Public Health Director Sonia Angell stopped short of saying all Californians should start wearing them. The CID has a [FAQ page](#) regarding Personal Protective Equipment.

CULVER CITY

Guns

On April 1, 2020, the City Manager issued the Third Supplement to his March 16 Public Order. The Third Supplement allows firearm retailers to conduct business, including new sales and transfers, during the COVID-19 local emergency. The policy is consistent with CISA Guidance and the County of Los Angeles' current positions regarding the inclusion of firearms retailers as part of the essential critical infrastructure. The full text of the Third Supplement is [available online](#). Get the latest updates about the [City of Culver City's response to coronavirus](#) (COVID-19).

New Guidelines for Construction Sites

The City has issued [new guidelines for construction sites](#) to slow the spread of COVID-19. Construction industry employers are required to develop a comprehensive COVID-19 exposure control plan, which includes control measures such as social distancing, symptom

checking, hygiene requirements, decontamination procedures, and training. Construction sites must take steps to prevent any onsite worker from contracting COVID-19 by completing an exposure control plan and implementing control practices such as:

- Preventing gatherings of any size and ensuring a minimum 6-foot separation between persons at all times.
- Providing personal protective equipment (PPE) such as gloves, goggles, face shields and face masks as appropriate for the activity being performed.
- Posting required hygiene practices including: not touching the face with unwashed hands or with gloves; washing hands often with soap and water for at least 20 seconds; use of hand sanitizer with at least 60% alcohol; cleaning and disinfecting frequently touched objects and surfaces such as workstations, keyboards, telephones, handrails, machines, shared tools, elevator control buttons, and doorknobs; covering the mouth and nose when coughing or sneezing; and other hygienic recommendations by the CDC.
- Placing hand wash stations or hand sanitizers in multiple locations to encourage hand hygiene.

Failure to comply with the City's guidance may result in withheld inspections or shutting down the construction site until corrected.

SACRAMENTO

Alcoholic Beverage License Renewal Extension Fees

The California Department of Alcoholic Beverage Control (ABC) [announced that ABC licensees](#) paying annual renewal fees or penalties on late annual renewal fee payments have been given a 30-day grace period. The announcement comes after Governor Gavin Newsom signed an executive order that will provide tax, regulatory, and licensing extensions for businesses. ABC's announcement encompasses two main areas, ABC licensees paying their annual renewal fees that allow them to continue operating, and ABC licensees who owe the State of California penalty fees related to late payment of their annual renewal fees. Below is ABC's schedule providing details on the 30-day relief period for those licensees who are late paying their annual renewal fees and owe penalties as a result of those late payments.

In addition to the 30-day extension for annual renewal fees and penalty fees, ABC encourages licensees to see other tools that can assist them during this difficult period. The department just 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 [Notice of Regulatory Relief](#) that ABC announced on March 19. The [Guidance by License Type](#) tool, along with ABC's updated [Frequently Asked Questions](#), were developed to help California's large and diverse alcoholic beverage industry weather this crisis.

Taxes

Businesses will now have another 60 to 90 days to file taxes under Gov. Newsom's plan. Governor Newsom signed an Executive Order granting small businesses across California time extensions over filing taxes, refunds, and for different business licenses due to timing and staffing issues stemming from the COVID-19 coronavirus pandemic. Under [Executive Order N-](#)

[40-20](#), small businesses whose returns are under \$1 million will have another 90 days to file their tax returns and to settle any payments due at that time. The California Department of Tax and Fee Administration (CDTFA) would only begin to send notices to businesses who failed to file beginning on August 1. The deadline for tax refund claims was also extended by 60 days, setting a hard June 30 deadline.

Licenses

The Governor's Order extends business license renewals, trainings, and applications also by 60 days. For example, many restaurants operating on a take-out basis will not need to renew any license on the verge of expiring for the next two months. Newsom specifically noted in his [press release](#) that the Department of Consumer Affairs will also waive continuing education requirements for several professions until the end of June. Finally, all public safety officer and state worker misconduct and adverse action investigations were extended by 60 days to complete due to the coronavirus outbreak disrupting many investigations. The big takeaway from this Executive Order is that it continues the trend of shifting everything tax-wise to later in the year. The federal income tax filing date had been previously moved earlier this month from April 15 to July 15.

California Cities Want Transparency Rules Suspended

As detailed in an [Associated Press story](#), the League of California Cities is asking Gov. Gavin Newsom to suspend or delay numerous state laws, saying they can't comply with everything from environmental regulations to public records laws that give people a window into how the Government is spending public money. Noting that "city resources and personnel are stretched thin" responding to the pandemic, the executive director of the League of California Cities asked Newsom last week to "take immediate action to pause certain statutory requirements." The league that represents nearly 500 cities is seeking to delay the state's constitutionally mandated California Public Records Act, which requires transparency in government decision-making and spending. The law requires public agencies to respond to requests for information within ten days, though many routinely drag their feet with legally allowed extensions.

NATIONAL

CARES Act

We realize that we have been sending a lot of dense and complicated information out over these past few weeks. EKA is trying to keep up with, and process, the evolving changes to the fast changing landscape in real time, and we are doing our best to keep you informed with what you need to know. As always, if you have any questions, or would like to discuss any of this further, please do not hesitate to reach out to us. As you know, in response to COVID-19, Congress recently passed the [CARES Act](#), providing businesses with relief through loans and tax benefits. For those interested, you can request an immediate advance of \$10,000 for a federal Economic Injury Disaster Loan [here](#). Here is a quick overview about the relief available under the CARES Act.

Economic Injury Disaster Loans (EIDL)

- Covers expenses like payroll, fixed debts, employee sick pay, accounts payable, and other costs.

- Available for up to \$2 million, but you can also apply for an immediate advance of \$10,000 for certain expenses -- and you won't be required to pay it back if your loan application is later denied.
- Up to 30 years with an annual interest rate of 3.75%.
- For small businesses with under 500 employees.
- Click [here](#) to apply for EIDL

Paycheck Protection Loans

- Forgivable for eight weeks of payroll, rent, mortgage interest, or utilities expenses if you keep all employees on payroll.
- Available for up to 2.5 times your average monthly payroll costs, up to \$10 million.
- Used to cover payroll, health insurance, medical or family leave, insurance premiums, debt interest, mortgage obligations, rent, and utilities.
- For small businesses with under 500 employees (or certain businesses, including restaurants in some cases, with more than 500 employees)
- Loans will be available from private lenders in the next few weeks, but some lenders are accepting pre-applications. Contact your bank or an [approved SBA lender](#) to apply.

CORONAVIRUS RESPONSE PHASE 3 UPDATE

Below is information provided by House Majority Leader [Kevin McCarthy](#) regarding some of the frequently asked questions we receive regarding the Coronavirus Aid, Relief, and Economic Security Act.

Rebate Checks

Direct assistance for individuals includes payments of as much as \$1,200 for individual taxpayers and \$500 per child. These are phased out when incomes exceed \$75,000 for individuals, \$112,500 for the head of household, and \$150,000 for couples filing jointly. For more detailed information from Treasury, click [here](#), and for a personal refund calculator click [here](#).

Unemployment

The bill offers an additional 13 weeks of unemployment insurance and expands eligibility – including gig workers, self-employed and nonprofit employees, among others. It also makes benefits more generous by adding a \$600 per week across-the-board payment increase through the end of July, and provides full federal funding for the first week (which is normally a waiting week without any benefit).

Mortgage Forbearance

180-day payment forbearance and a 60-day prohibition on delay on federally insured mortgages, and automatic reamortization of missed payments via an extension of the period of the loan.

Student Loan Repayment

The CARES Act provides for up to \$5,200 in payments made by employers for employees student loans to be deductible to the employer and excluded from the employee's gross income.

This provides parity with the current treatment of tuition assistance provided by employers. Click [here](#) for more information.

ASSISTANCE TO SMALL BUSINESSES - PAYCHECK PROTECTION PROGRAM

As mentioned above, it provides 100 percent federally-guaranteed loans for eight weeks of assistance to small businesses and 501(c)(3) nonprofits. The loans will be offered by private lenders to provide liquidity to businesses quickly, without government bureaucracy. Small businesses and 501(c)(3)s with 500 or fewer employees are eligible for this program. Additionally, sole-proprietors, independent contractors, "gig economy" workers, and other self-employed individuals are eligible. Detailed instructions from Treasury are available [here](#) and an application form is available [here](#). The maximum loan amount will be 2.5 times the average monthly payroll costs, up to \$10 million. If a small business owner uses the loan to maintain payroll, the portion of the loan used for payroll costs, interest on mortgage obligations, rent, and utilities will be forgiven by the private lender. The program also offers businesses that have already laid off employees due to this crisis the opportunity to re-hire workers before June 30 and still receive loan forgiveness.

Paycheck Protection Program Update

Note that the Treasury Department has issued additional guidance relating to the Paycheck Protection Program (including a sample PPP application, [found here](#)) and the new federal/Treasury loan program. To view the documents and guidance provided on the Treasury's site, please [click here](#). Of note from the guidance is the following.

- **Loan Details:** The Treasury Department has indicated that all loan terms will be the same for everyone, regardless of borrower or lender. In addition, the Treasury has noted that loan forgiveness for loan amounts used on non-payroll costs will likely be capped at 25%. The Treasury guidance also indicates that the interest rate on the payroll loans will be a .5% fixed rate, and while all payments are deferred for 6 months, interest will accrue during those months. Per the Treasury guidance, the payroll loan will be due in two years.
- **Loan Forgiveness:** The Treasury guidance also makes clear that the process to request loan forgiveness will be run through the payroll lender that is servicing your loan, and that the lender will make a determination on forgiveness within 60 days. Additional information that will be required for the forgiveness process is set forth in the Treasury guidance, although such list is not likely to be inclusive.
- **When to Apply:** Small businesses and sole proprietorships can apply starting this Friday, April 3, 2020. Independent contractors and self-employed individuals can apply starting next Friday, April 10, 2020. Although the program is open until June 30, 2020, we encourage you to apply as quickly as possible since the funds are capped and lenders will need time to process your loan.
- **Application Process:** A list of participating lenders can be found at www.sba.gov, and additional non-SBA lenders are likely to be authorized to participate in the coming weeks. To apply, you will need to complete a Paycheck Protection Program loan application and provide your lender with additional documentation and certifications. A sample payroll loan application can be [viewed here](#). Borrowers should apply as soon as possible for the federal programs being offered.

Economic Injury Disaster Loans (EIDL)

Low-interest, long-term loans of up to \$2 million, offered by the Small Business Administration directly. Since [EIDL](#) is an entirely government-run program that does not utilize private lenders, the process typically takes multiple weeks. To provide liquidity through this program as soon as possible, the CARES Act also included the creation of advance grants for EIDL applicants. These grants expedite access to capital for small businesses who have applied for a Small Business Administration EIDL. Businesses could request an advance of up to \$10,000 on the loan to provide covered leave, maintain payroll, and pay debt obligations.

Family And Sick Leave Credits

Prior to passage of CARES, Congress had already enacted legislation (FFCRA) creating an emergency [sick and family leave benefit](#), which provides at least 2/3 salary for caregivers and full salary for those who are sick. Employers who are required to provide these benefits will be eligible for an advanceable, refundable tax credit against payroll tax liability to cover the cost of the benefit dollar-for-dollar. Both the leave mandates and the tax credit are effective April 1. The Treasury Department has published draft [forms](#) and [instructions](#) for these credits.

ASSISTANCE TO BUSINESSES AND INDUSTRY

Retention Credit

The CARES Act creates a [refundable, advanceable tax credit](#) against the payroll tax liability for employers subject to a closure order or shelter-in-place order, or who experience a 50% or greater reduction in gross receipts while those conditions persist. The credit is calculated as 50% of up to \$10,000 in eligible wages to an employee. For employers with fewer than 100 employees, the credit applies to all wages paid to employees. For employers with greater than 500 employees, the credit applies to wages paid for any period an employee is not providing services to an employer, whether in a reduced hours status or full furlough. This benefit is not available to employers accessing a Paycheck Protection Program loan. Treasury guidance for this credit is available [here](#).

Payroll Tax Delay

The CARES Act provides for a [delay in collection of employer payroll taxes](#) for 2020, with the delayed amount repayable over 2021 and 2022, with 50% payable each year. This benefit is not available to employers accessing a Paycheck Protection Program loan.

Treasury And Federal Reserve Liquidity Programs

The CARES Act provides over \$500 billion in funding to establish lending and other liquidity programs to support businesses through the crisis. This includes \$75 billion in direct loans and grants provided to passenger and cargo air carriers and critical national security firms. Further, the bill provides \$454 billion to the Exchange Stabilization Fund for use by Treasury and the Federal Reserve for liquidity programs including support for the commercial paper market, municipal funding market, bank lending to small and medium enterprises, and to address any other areas of funding stress identified in the market. Information on current programs for air carriers and

national defense firms is available [here](#). Information on announced Federal Reserve programs is available [here](#).

Miscellaneous Tax Provisions

The CARES Act makes several changes to corporate tax law to increase liquidity for firms, including allowing five-year net operating loss carrybacks, increasing the amount of business interest eligible for deduction from 30% to 50% of EBIDTA, accelerating AMT credits from future years into 2020, and correcting the qualified improvement property technical error from the Tax Cuts and Jobs Act.

HEALTH PROVISIONS

Personal Protective Equipment

Permanent liability protection for mask manufacturers to help increase the supply of personal respiratory protective equipment. \$16 billion to the Strategic National Stockpile to procure personal protective equipment, ventilators, and other medical supplies for federal and state response efforts.

Health Care Heroes

\$100 billion for a new program to provide grants to hospitals, public entities, not-for-profit entities, and Medicare and Medicaid enrolled suppliers and institutional providers to cover unreimbursed health care related expenses or lost revenues attributable to the public health emergency resulting from the coronavirus. It also provides:

- Liability protection for providers who volunteer during the crisis, including those who volunteer across state lines.
- Additional telehealth flexibility to reduce strain on health providers and lower infection risks.
- Allowing individuals to purchase over the counter medicines from their Health Savings Accounts without going to the doctor for a prescription first.
- Authorization of the Ready Reserve Corps to put additional personnel on the ground on short notice.
- \$11 billion to support research and development of vaccines, therapeutics, and diagnostics to prevent or treat the effects of coronavirus.
- Extension of expiring health programs through November, including funding for Community Health Centers and the special diabetes program.

CONNECTING EKA CLIENTS & RESOURCES

In these unprecedented times, many public agencies are facing tremendous pressure as citizen demand for information and requests for benefits and services rapidly increase. If you need help, we can connect you to the proven providers of best-practice solutions that can scale quickly to meet citizen/public service requirements. This includes:

- Customer service agents in a distributed, low-risk, work at home model, to take calls and email from citizens and provide authorized information, triage requirements for required actions, and otherwise support access to agency services.

- Using that same distributed network concept to proactively reach out to designated citizens to either inform, or gather needed information.
- Digital and AI-enabled tools, such as chatbots, to mobilize agency web sites and portals for quick response and decrease the workload on human contact centers.

If you are interested in this offer, please reach out to Marcus Allen at Marcus@ekapr.com, who will initiate the request with our client.

ARTICLES OF INTEREST

Tenant Rent Strike

The Alliance of Californians for Community Empowerment declared a statewide rent strike, demanding that rent payments be forgiven until people can return to work. Gov. Newsom signed an executive order banning the eviction of tenants unable to pay their rent through May 31, also placing a partial moratorium on foreclosures. The campaign is giving Newsom 30 days to act and forgive rent and mortgage payments. The group says not doing so could result in a "tsunami of evictions and foreclosures far worse than that seen following the economic crash of 2008." To read the full story, click [here](#).

U.C. To Ease Admission Requirements: No SAT, No Minimum Grades

The University of California will greatly ease admission requirements for fall 2020 and beyond by eliminating SAT test scores and minimum grades, saying that "grave disruptions" to schools during the coronavirus crisis call for maximum flexibility in evaluating students. To read more, click [here](#).

California Lottery Jackpots Could Shrink

According to an [Associated Press story](#), the group that oversees the Powerball game announced that it would cut minimum jackpots in half, from \$40 million to \$20 million, after there is a winner of the current big prize. The jackpot also could grow more slowly, with minimum increases of \$2 million instead of the normal \$10 million after each twice-weekly drawing.

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