

## COVID-19 Update From EKA – April 23, 2020

If you have any questions or if we can be of any assistance, please reach out to EKA, and we will be happy to assist you. Please feel free to share our daily email updates. If you would like to see previous EKA COVID-19 updates, click [here](#).

### Stay At Home Order Day 36

Today is day 36 of the [statewide "Stay-at-Home" Order](#). 44 Days ago, the World Health Organization declared COVID-19 a pandemic.

### California Shutdown

As we alluded to in our last update, Governor Newsom announced some changes to the California COVID-19 shutdown. During his daily update, the Governor said that hospitals across the state could resume scheduled surgical procedures that were suspended to ensure the availability of hospital beds and physicians to treat virus patients. He warned, however, that if a new surge in COVID-19 cases strains hospitals, the surgical restrictions could be imposed again. Despite the easing of the surgical restriction, the Governor noted that all other stay-at-home and social-distancing orders remain in place, and there is no magical date of when they will be lifted -- insisting such moves will not be driven by political ideology. The Governor previously laid out six indicators the state will be monitoring as it decides whether to lift the health orders. In addition to hospital capacity, which was addressed in the decision regarding scheduled surgeries, the other indicators are:

- The ability to adequately expand testing and contact tracing to support people who have contracted the virus and people who have been exposed
- A stepped-up process for preventing infections among higher-risk residents, such as the elderly or people with underlying health conditions
- Partnerships with academics to develop therapeutics or treatments;
- Assurance that businesses, schools and childcare facilities can safely reopen while maintaining social-distancing needs
- Development of a plan to quickly re-institute some measures, such as stay-at-home orders, if needed after restrictions are softened.

The Governor said 86 new testing sites across the state will be established in partnership with a pair of private laboratories, with a focus on Hispanic and black communities. He also said roughly 1.5 million antibody tests would be rolled out across the state to more accurately determine the actual spread of the virus by identifying people who have been infected with the illness, often without their knowledge or without developing any symptoms. As we previously reported in our update, initial results of serology testing in Los Angeles County determined that as many as 442,000 people in the county may have been infected, far exceeding the roughly 15,000 cases that have been confirmed through testing.

**LOS ANGELES COUNTY**

## **COVID-19 Job Losses**

Business closures and cutbacks brought on by the coronavirus crisis could lead to a staggering 27.4% drop in employment across a 10-county Southern California region by May, equating to a loss of more than 2.8 million jobs, according to a study from the Los Angeles Economic Development Corporation (LAEDC). The [LAEDC's Institute for Applied Economics](#) noted that the estimates could fluctuate dramatically depending on the duration of stay-at-home orders and other variables, and thus "should not be used as an argument to reopen businesses or ease social-distancing requirements throughout the region."

Based on current conditions, however, researchers determined that in a 10-county area stretching from San Luis Obispo south to San Diego and stretching as far east as the Nevada and Arizona borders, the number of jobs could drop from 10.3 million last May to just under 7.5 million next month. That would equate to an unemployment rate of up to 31.4%. The food and service industries would take the biggest hit, thanks to restrictions on restaurant operations, according to the report. Other sectors such as sales, office and administrative support are also expected to be heavily impacted. The largest number of projected job losses is in the Los Angeles-Long Beach-Anaheim region, with a projected 1.7 million drop in positions, equating to a roughly 31.7% unemployment rate, according to the report. In addition to foodservice and retail sectors, major job losses are also projected in the Los Angeles region in transportation thanks to travel restrictions and the drop in tourism. To read the LAEDC full LAEDC report, click [here](#).

## **Eviction Moratorium Requirements**

Several readers of our daily updates have inquired about eviction requirements. Listed below are two cities in L.A. County that we are aware require owners to provide notices to their renters.

- **City of Los Angeles** – Under the [Urgency Eviction Moratorium Ordinance](#), all owners are required to provide a written notice to their residential renters of the protections set forth in the Ordinance within 30 days of March 31, 2020.
- **Santa Monica** – Effective April 24, 2020, owners are required to provide a notice to renters regarding the Eviction Moratorium in writing, by email or mail, posting in a conspicuous location in the lobby of the property, near a mailbox used by residents of the property, or in or near a public entrance of the property. The [Second Revised First Supplement to the Executive Order](#) sets forth the specific language and related requirements that the owner must include in the notice. Further, the notice must be written in the language that the owner normally uses for verbal communication with the renter. The owner is also required to provide a copy of the notice with any Notice to Pay Rent or Quit, any eviction notice to the renter, and when filing an unlawful detainer action.

If you have any questions about your local municipality, please check to see if your City's moratorium includes a notification requirement for owners. If you have questions regarding

your property or a specific eviction moratorium, please consult with an attorney.

### **Rent Freeze**

A few people have asked for clarification regarding the existing temporary rent freeze and moratorium on evictions in parts of Los Angeles County in response to COVID-19. The L.A. County Order expanded the temporary eviction moratorium to cover all residential and commercial tenants in Los Angeles County, except those who live or conduct business in cities that have already enacted their own eviction moratoria. The moratorium includes a ban on evictions for:

- Nonpayment of rent, if the tenant can show they have been financially impacted by the health emergency
- No-Fault reasons, such as owner/relative move-in or Ellis Act evictions
- Violations due to additional occupants, pets or nuisance related to COVID-19

The expanded temporary rent freeze now prohibits owners of mobilehome parks in unincorporated areas of Los Angeles County from increasing the space rent for their tenants during the moratorium period. These actions, which are retroactive from March 4 to May 31, 2020, unless extended, are the latest in a series of protections the Board has enacted to protect renters in Los Angeles County, many of whom have been severely impacted by the COVID-19 pandemic. The Los [Angeles County Department of Consumer and Business Affairs](#) (DCBA), at the directive of the Board of Supervisors, is working to educate renters and property owners of these new rules. To read the DCBA details regarding the County eviction moratorium and rent freeze, click [here](#). To review all DCBA updates for renters and landlords, click [here](#).

### **Food Resources in Los Angeles County**

Los Angeles County is currently mobilizing a Countywide response to hunger by coordinating public agencies, nonprofits, and volunteers to provide meals to anyone in need during the weeks and months to come. LA County residents can visit the County COVID-19 website's food portal to receive or provide support. To reach the website, click [here](#).

### **Incident Update**

To read the L.A. County Emergency Operation Center's COVID-19 disaster response update, click [here](#).

## **CITY OF LOS ANGELES**

The EKA team monitored the marathon Los Angeles City Council meeting that lasted nearly ten hours. There are several items of interest to report.

### **Rehiring Workers**

The Los Angeles City Council voted to have the city attorney and staff draft an ordinance that would protect jobs of hospitality, janitorial and tourism workers who were laid off during the COVID-19 pandemic. Under the proposed ordinances, businesses would be required to provide notices to workers that they are rehiring people after the COVID-19 pandemic subsides. Laid-off

workers would have ten days to respond to worker recall notices from employers, and people who have worked for businesses the longest would be prioritized. Employers would have 15 days to respond to claims against them from employees who say they weren't given ample opportunity to be rehired. The proposed ordinance would be in effect until March 2022, and reports on the ordinance could come back to the council before then. The City Attorney's Office was given 30 days to draft the protective ordinance.

Councilman Joe Buscaino said he wanted an economic impact study on the proposals before they are passed, which was adopted by the council. Council President Nury Martinez moved to widen the definition of hospitality workers to include property managers and airport workers (outside airlines and rental car facilities) and workers at hotels with more than 50 guest rooms, or ones that generated more than \$5 million in hotel taxes in the last year. Employers at convention and event centers or venues with 1,000 seats or more would also be required to provide their employees with a chance to retain their jobs. The council president's motion also seeks to include workers at commercial office buildings with more than 25 employees to be protected. If a collective bargaining agreement is already in place between the employees and employers, that would inform the terms of the protection until it expires, when employers would then have to comply with the city's standards.

The Council also made amendments to previously proposed ordinances for workers of businesses deemed essential during the pandemic. For the [Worker Retention ordinance](#) and the [Right of Recall ordinance](#), the Council changed the requirement to apply to businesses with 50 or more employees, and said it would amend both ordinances to exempt restaurants. The council also changed both those ordinances to apply to hospitality workers only. The Right of Recall ordinance [was amended](#) to exclude nonprofit institutions of higher learning that operate medical centers in the City. The council also voted to not allow punitive damages to be awarded to a laid-off worker if an employer is found to have violated the Right of Recall ordinance. The Council is scheduled to meet next Wednesday, but it remains to be seen if the worker-retention proposals will be on the agenda.

### **Coronavirus-Rent Assistance**

The Council unanimously voted to create a fund to financially assist tenants during the coronavirus pandemic. Council President Nury Martinez noted during the meeting that a similar fund set up last year to help people who fell through loopholes in a state bill that capped rents. Councilmember Martinez dedicated \$1 million from her council district discretionary funds as seed money for the fund, and Councilman Herb Wesson put in \$150,000. Other funds, including federal block grants and private donations, are also expected to be utilized for the program. The Los Angeles Housing and Community Development Department (LAHCDD) will be in charge of creating and administering the fund. To review all LAHCDD COVID-19 programs, click [here](#).

### **Rent Increases**

In the ninth hour of its meeting, the Council voted on three items related to rental increases. The Council directed the City Attorney's Office draft an ordinance that would halt [rent increases](#)

for units protected by the city's Rent Stabilization Ordinance (RSO) for 360 days. Initially, motions were filed by Councilmen David Ryu, Mike Bonin and Marqueece Harris-Dawson that would have put a temporary stop to rent increases on all residential rental units, not just the ones protected by the stabilization ordinance. However, Deputy City Attorney David Michaelson said that might not be legal under the state law limiting rent control, the Costa-Hawkins Rental Housing Act. The motion to include all units received six yes votes and seven no votes with Councilmembers Kerkorian and Price recusing themselves. [RSO units](#) are defined as rental units built in 1978 or earlier. As we noted in previous updates, the California Judicial Council [halted all eviction proceedings](#) earlier this month.

The City's current orders require people to pay back the rent they owed within 12 months of the end of the pandemic (commercial tenants have three months), Bonin and Ryu recommended the city should [convert unpaid rent](#) incurred during the pandemic into consumer debt, which can't be obtained through an unlawful detainer process. However, the City Attorney said that would be equivalent to an illegal complete rent freeze where landlords could not try to acquire what they're owed. Another motion was proposed by the councilmen to [prohibit landlords from serving eviction notices](#) or by locking their doors, turning off utilities and other measures, unless there is an issue of health and safety. Those motions also failed to pass. The City Attorney's Office has 30 days to return with the draft ordinance for council consideration. To review the rent freeze item, click [here](#).

### **Social Distancing Measures on Buses**

LADOT Transit has begun to limit the number of passengers that are allowed on board DASH buses at any one time. 30-foot buses are now restricted to 10 passengers each and 35-foot buses are limited to transporting 12 passengers each. LADOT is monitoring the Centers for Disease Control and Prevention (CDC) guidelines that may apply to its transit services. To read about the new policy, click [here](#). LADOT Transit is continuing to provide fare-free, backdoor boarding on all DASH buses while observing a temporarily modified service schedule for all DASH and Commuter Express routes.

### **LAX Terminal Access Restricted**

Access to Los Angeles International Airport's central terminal area is now restricted 24/7 to authorized airport and city personnel and ticketed passengers and their guests only. In March, LAX implemented a nighttime closure policy as a result of the spread of the coronavirus. The full-time closure to the general public is an expansion of that policy. Access is restricted to ticketed airline passengers and persons meeting, accompanying or assisting them, and airport and city personnel whose employment requires their presence. Airline check-in counters and federal passenger security screening will be open depending upon flight schedules for each terminal. Signage is being posted on and around airport property informing the public of the closure and the FlyLAX.com and LAWA.org websites have been updated with this information. For a detailed map of areas closed and additional information, click [here](#).

### **Mayor's Daily Update**

During his daily update, Mayor Garcetti said that in an effort to ensure the health of front-line responders to the coronavirus crisis, testing would be made available at sites across the county starting today for "critical workers" regardless of whether they are showing any COVID-19 symptoms. Those workers include "health care professionals, grocery store workers, first responders and critical government personnel. The Mayor said workers should contact their employers about how to get the priority testing. Click [here](#) to sign up for the testing online. Until today, COVID-19 testing has been restricted to people who are showing symptoms, but health officials have said for weeks that people infected with the virus could be spreading it before they show any signs of the illness.

The Mayor also announced the start of an "LA Protects Business Ambassador Program," which is designed to ensure that social-distancing and safety requirements -- and wage laws -- are being enforced at businesses that have been allowed to reopen under a city program to produce non-medical-grade face coverings. The Mayor said the "ambassadors" will document any violations and determine if companies need to be referred to city wage-enforcement officials or to Cal/OSHA or even the police department for repeat violators. The Mayor said distribution began at 16 sites across the city of Angeleno Cards -- prepaid debit cards valued at \$700, \$1,100 or \$1,500 -- to some of the thousands of people who applied for them through the Mayor's Fund for Los Angeles. 455,000 people had applied for the cards early on, but once duplicate applications were filtered out, and applications from outside the city, about 185,000 households remained. But only between 10,000 and 15,000 of the cards are immediately available, he said. The cards are funded solely by donations to the Mayor's Fund, the availability of additional cards will depend on fundraising efforts, which he said will continue.

## **Culver City**

### **Eviction Moratorium Rent Repayment Period**

On Monday, April 27th, the Culver City Council will discuss and consider modifying the current six (6) month repayment period of unpaid rent in the City's residential and commercial eviction moratoriums ([Agenda Item A-2](#)). While the staff report does not include specific recommendations regarding the duration that the repayment period should be extended to, the report notes that both the City of Los Angeles and Los Angeles County have extended their repayment period from six (6) months to twelve (12) months following the expiration of the local emergency. Further, the report highlights that Culver City has remained closely in step with most Los Angeles County Department of Health and City of Los Angeles public orders in many aspects.

## **SACRAMENTO**

### **Virtual Wine Tastings**

The State Alcoholic Beverage Control Board received multiple inquiries about virtual wine tastings while tasting rooms are closed during the COVID-19 emergency. As a result, they issued a [Notice of Regulatory Relief](#) suspending enforcement of certain rules and otherwise provides guidance to Type-02 winegrower licensees for conducting "virtual wine tastings." According to

the new rule, a winegrower licensee may deliver tasting samples of wines to consumers away from their licensed premises. To review the details for the new rules, click [here](#).

### **AG Calls on FCC Telecom Industry to Protect Consumers**

California Attorney General Xavier Becerra joined a coalition of 27 attorneys general in sending a letter to the Federal Communications Commission (FCC) asking them to join the coalition in urging the telecommunications industry to make further commitments to protect consumers during the COVID-19 public health emergency. In March, the FCC announced that any telecom companies had pledged to three commitments aimed at protecting consumers' access to essential telecommunication services for 60 days. The new letter asks the FCC to join the coalition's efforts in urging telecommunications companies to further protect consumers by pledging to five additional commonsense commitments. A copy of the letter can be found [here](#).

## **NORTHERN CALIFORNIA**

### **SF Freezes Rent Hikes, Requires Protective Gear for Essential Workers**

A few readers of our updates have asked how the measures in Southern California compare to Northern California. The San Francisco Board of Supervisors unanimously passed an ordinance temporarily banning rent increases and requiring a large portion of essential businesses to provide gloves, masks and other protective gear for workers. The moratorium on rent hikes will apply retroactively to April 7 and expire in 61 days unless re-enacted. The pause on rent increases follows a [March 23 order](#) by San Francisco Mayor London Breed to halt all evictions in the city temporarily. The moratorium on evictions was extended for another two months.

Another emergency ordinance passed requires grocery stores, pharmacies, restaurants and on-demand delivery providers to supply their workers with protective gear, including masks, gloves, hand sanitizer, disinfectant and soap and water. Aside from mandating protective gear for workers, the emergency law also requires on-demand delivery platforms such as Grubhub to offer a "no contact" delivery option for workers and customers. Finally, the new law forbids employers from firing or threatening to fire, demote or suspend workers for asserting their rights under the emergency law.

## **NATIONAL**

### **CDC Warning**

The director of the Centers for Disease Control and Prevention warned that a second wave of the coronavirus outbreak in the fall could be worse than the one hitting the U.S. now because it would come at the opening of the flu season. "There's a possibility that the assault of the virus on our nation next winter will be even more difficult than the one we just went through," [CDC Director Robert Redfield told The Washington Post](#). "We're going to have the flu epidemic and the coronavirus epidemic at the same time." Based on articles we have reviewed, many health experts, including Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious

Diseases, have also warned of a possible second wave of infection. Models had predicted that COVID-19, the disease caused by the virus, would kill 100,000 to 200,000 Americans.

### **COVID-19 related online scams**

The EKA team has been monitoring COVID-19 related scams. The FBI's Internet Crime Complaint Center has worked with local law enforcement and private sector companies to take down hundreds of online domains used to run scams related to COVID-19. According to [a release from the Department of Justice](#), the FBI has reviewed more than 3,600 complaints related to online coronavirus scams, many involving websites advertising fake vaccines and cures, operating fraudulent charity drives or delivering malware. These websites often had domain names containing the words "covid19" or "coronavirus," and they sometimes pretended to be run by or affiliated with public health organizations, the release said. A few websites the FBI took down included some pretending to collect donations to the Red Cross for COVID-19 relief efforts, and some that spoofed government programs to trick people into entering banking details and other personal information. The Federal Trade Commission reported earlier this month that COVID-19 related scams have already cost American consumers more than \$12 million.

## **WHAT WE'RE READING**

### **CDC Confirms First U.S. Coronavirus Fatalities Were in California, Weeks Before Deaths Reported in Washington State**

Health officials say two people died with the coronavirus in California weeks before the first reported death from the disease. Santa Clara County officials said Tuesday the people died at home Feb. 6 and Feb. 17. Before this, the first U.S. death from the virus had been reported on Feb. 29 in Kirkland, Washington. The Medical Examiner-Coroner received confirmation Tuesday that tissue samples sent to the U.S. Centers for Disease Control and Prevention tested positive for the virus, officials said. To read the full article, click [here](#).

### **Disney to stop paying 100,000 workers but is still on track to give shareholders \$1.5 billion**

Walt Disney Co. will stop paying more than 100,000 employees this week, nearly half of its workforce, as the world's biggest entertainment company tries to weather the coronavirus lockdown, it was reported Monday. Suspending pay for thousands of so-called cast members will save Disney up to \$500 million a month across its theme parks and hotels, which have been shut in Europe and the U.S. for almost five weeks, the Financial Times reported. To read the full article, click [here](#).

### **Large Cluster of Coronavirus Cases Emerges in Skid Row**

Forty-Three more people have tested positive for the coronavirus at the Union Rescue Mission, Los Angeles' oldest and largest homeless shelter. The sudden spike in cases comes despite the extreme precautions the shelter has been taking to prevent such an outbreak. To read the full article, click [here](#).

### **Harvard Nets Nearly \$9 Million in Coronavirus Aid from Federal CARES Act**

Harvard University will receive nearly \$9 million in aid from the federal government through the Coronavirus Aid, Relief, and Economic Security Act, the Department of Education announced last week. Of the \$8,655,748 Harvard is slated to receive, the government has mandated that at least half — \$4,327,874 — be reserved for emergency financial aid grants to students. To read the full article, click [here](#).

### **Amazon Faces Claims It Violated California Price-Gouging Law in COVID-19 Emergency**

Online retail giant Amazon Inc. has been hit with a lawsuit claiming that the company and third-party sellers on its website have violated a California law prohibiting price hikes of more than 10% on certain essential goods during a declared emergency. To read the full article, click [here](#).

### **Malaria Drug May Make Coronavirus Worse**

Have a dose of reality. Though some, including President Donald Trump, have touted malaria drug hydroxychloroquine as a potential coronavirus cure, a new analysis of data from 368 patients found that the death rate was significantly higher for those who received the drug, even when combined with the antibiotic azithromycin. A panel of experts from the U.S. National Institutes of Health has recommended doctors not use the malaria drug, which has the potential to induce heart problems. They noted that no drug is yet known to be effective against COVID-19. To read the full article, click [here](#).

### **So long, minibar: How the coronavirus will change hotel stays**

A hotel stay that doesn't include a breakfast buffet, an in-room minibar and a coffee station would have been inconceivable to many Americans three months ago. But the onset of the coronavirus has prompted a sea change that could alter everything from how guests check in and eat to how rooms are cleaned. Hotel experts predict that the pandemic will drastically alter hotel stays in coming months, prompting many properties to embrace a host of new practices, up to and including temperature checks upon guests' arrivals. To read the full article, click [here](#).

### **Chinese Agents Helped Spread Messages That Sowed Virus Panic in U.S**

The alarming messages came fast and furious in mid-March, popping up on the cellphone screens and social media feeds of millions of Americans grappling with the onset of the coronavirus pandemic. Spread the word, the messages said: The Trump administration was about to lock down the entire country. "They will announce this as soon as they have troops in place to help prevent looters and rioters," warned one of the messages, which cited a source in the Department of Homeland Security. "He said he got the call last night and was told to pack and be prepared for the call today with his dispatch orders." The messages became so widespread over 48 hours that the White House's National Security Council [issued an announcement via Twitter](#) that they were "FAKE." To read the full article, click [here](#).

### **Battle heats up for phase-four coronavirus relief bill**

The Senate's passage of a \$484 billion coronavirus relief bill on Tuesday is setting the stage for negotiations on an even bigger package that could rival the \$2.2 trillion CARES Act passed by Congress last month. The legislation would funnel tens of billions if not hundreds of billions to

state and local governments and could address infrastructure spending and election security. Speaker [Nancy Pelosi](#) and Senate Democratic Leader [Charles Schumer](#) on called for Congress to begin thinking about “CARES 2” after the Senate deal, while Senate Majority Leader [Mitch McConnell](#) warned of the growing amount of debt the U.S. is adding, previewing the battle to come. To read the full article, click [here](#).

### **It’s Time To Take A Hard Look At Tax Reform For California’s Future**

The coronavirus pandemic is sending shockwaves through the global and national economy, and, without a doubt, reverberations from the pandemic will have a huge impact on [state budgets](#) across the country. While the coronavirus crisis and response is front and center for California lawmakers, a fiscal crisis, driven mainly by the state’s uniquely volatile revenue system, is brewing in the background. The state’s general fund is largely reliant on [personal income](#) and capital gains, and both are extremely sensitive to economic downturns. With more of the workforce unemployed for the foreseeable future, reduced demand will lead to lower sales tax revenue, as well as lower corporate tax revenue — the other main pillars of revenue for the state. To read the full article, click [here](#).

**Note:** *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.*