

COVID-19 Update From EKA – April 4, 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.

Wearing Face Masks

The Centers for Disease Control and Prevention [issued new guidelines](#) late Friday recommending that the public voluntarily wear a non-medical basic cloth or fabric mask that can be either purchased online or simply made at home. The move comes as a growing number of local and state agencies are offering similar guidance. The Los Angeles County Department of Public Health [issued similar guidance](#) that covering your face could prevent you from becoming infected with the COVID-19 or from spreading it to others. Still, they stressed that it should not be seen as a substitute for social distancing, hand washing, and other safety measures. The CDC and the County have said people should not use medical or surgical masks, which are desperately needed by medical personnel. Until now, the CDC has stated that healthy people do not need a mask if they are not working in a healthcare setting or caring for an infected person.

Business Assistance

If you own a small business or run a private, non-profit organization in designated areas of California and have been affected by the response to COVID-19, you may be eligible for a low-interest federal loan. [The United States Small Business Administration](#) (SBA) has opened their disaster assistance application process to all U.S. States. The SBA offers Economic Injury Disaster Loans of up to \$2 million in assistance to cover a temporary loss of revenue. Click [here](#) to link to the Federal Disaster Loans Information and Application.

As detailed in previous updates, Governor Newsom [announced additional support](#) for small businesses in California. Small businesses can now defer payment of up to \$50,000 in sales and use taxes for up to a year. Click [here](#) to link to the California Small Business COVID-19 Assistance page. For those who do not qualify for federal loans, the state is allocating \$50 million to the C.A. Infrastructure & Economic Development Bank for loan guarantees to small businesses to help eliminate barriers. Click [here](#) to link to the Small Business Finance Center.

COUNTY OF LOS ANGELES

Testing

Los Angeles County is ramping up COVID-19 drive-up testing sites. The new sites open are at the Pomona Fairplex, the South Bay Galleria and the Antelope Valley Mall. Additional sites in Northridge, Long Beach, Lancaster and Pasadena are presently in the planning stages, and sites in Lancaster and Glendale are already operating. At this time, COVID-19 testing is limited to the most vulnerable Los Angeles County residents—those who are age 65 and older and/or have underlying health conditions, including diabetes, heart disease, hypertension, chronic lung disease, or moderate to severe asthma.

Testing is also limited to those who are immunocompromised, including as a result of cancer treatment, and/or have been subject to a mandatory 14-day quarantine period because they have been exposed to an individual with a confirmed case of COVID-19 and have more than seven days of the two-week quarantine period remaining. Anyone interested in getting tested must first register on the [screening website](#). This first step determines if people are eligible to be tested. The City of Los Angeles website also has information on testing for the COVID-19 virus. Click here to visit the City [website](#).

LOS ANGELES

Council Agenda

The [Agenda](#) is out for tomorrow's Council meeting. There is only one COVID-19 item on the Agenda, the emergency declaration. To read the resolution relative to the Declaration of Local Emergency by the Mayor, click [here](#).

Residents in Preferential Parking Districts

LADOT Parking Enforcement announced today that it will observe a limited enforcement grace period within Preferential Parking Districts to provide additional relief to families affected by COVID-19. Effective Friday, April 3, LADOT stopped issuing citations on vehicles displaying a recently-expired annual or visitor permit within the corresponding Preferential Parking District. This grace period will extend for two weeks after the expiration of a permit. LADOT will also email a two-week, temporary parking permit free-of-charge to be printed at home for those that have renewed their annual or visitor permit online but may not receive them before the existing permit expires.

LADOT will continue to enforce time limits within Preferential Parking Districts and vehicles exceeding posted time limits that do not display a valid or recently expired permit will be subject to citation. While certain parking regulations are relaxed, others remain enforced to ensure that emergency services and other city functions continue operation. See the list below for full details regarding enforcement:

LADOT has RELAXED enforcement for the following categories:

- Residential street sweeping
- Expired registration on a vehicle
- Peak/rush hour and gridlock zone parking restrictions
- No ticket/tow for abandoned vehicles and overnight parking
- Vehicles displaying recently expired permits within preferential parking districts will have a two-week grace period following the expiration to renew

In addition:

- No parking fine increases until after June 1
- Extended grace period for people dropping off or picking up
- Immediate extensions on all deadlines for payments until June 1
- LADOT will supply a temporary, print-at-home permit to residents within a preferential parking district who have renewed their permit but will not receive the new hangtag before their current permit expires

Enforcement CONTINUES for:

- Metered parking
- Time limits within preferential parking districts for vehicles without a valid or recently-expired permit
- Posted time limits zones in residential areas
- Posted temporary no-parking for repaving, street repair, and other street maintenance
- No blocking emergency access (alleyways, fire hydrants, etc.)
- Colored curb zones
- Parking restrictions for City-owned lots
- These changes will remain in effect until April 19 and could be subject to extension. For up to date information on LADOT policies to address COVID-

Small Business Emergency Microloan Program

The City of Los Angeles established an emergency loan program to put \$5,000 to \$20,000 into the hands of desperate business owners. The Economic and Workforce Development Department is running the lending program. The \$11-million loan fund is expected to serve 550 to 2,500 businesses, depending on the mix of applicants, which must have at least one employee and in the retail sector can have as many as 500. The loans come with no to low interest and there is no application fee. However, applicants must meet basic underwriting criteria. Click [here](#) for a link to the program.

Rent and Mortgage Forgiveness

Los Angeles City Councilman Mitch O'Farrell [sent a letter](#) to congressional leaders asking them to develop a federal plan for rent and mortgage forgiveness in their next aid package. As detailed in previous updates Mayor Garcetti last month banned landlords from evicting tenants affected by the outbreak, and the City Council extended the protections by giving residential tenants 12 months to pay back what they owe after the emergency order is lifted — but they'll still have to pay the full amount. And, the burden will fall on renters to prove they suffered because of the virus. The Mayor has also suspended rent increases on already units covered by the city's [rent control measure](#).

LONG BEACH

CULVER CITY

SACRAMENTO

Request Executive Order to Extend Tax Payments

A coalition businesses sent a letter to Governor Newsom requesting that he sign an Executive Order to provide additional tax relief to Californians by extending the April 10 deadline for payment of the final installment of annual property taxes. To read the letter, click [here](#). To read about the relief programs the Franchise Tax Board has offered in response to COVID-19, click [here](#). The FTB issued Notice-[2020-02](#) that among other things:

- Delays deadlines for claims for refunds and protests of proposed tax assessments until July 15, 2020;
- Delays deadlines to file administrative appeals to the Office of Tax Appeals to July 15 if the statutory deadline to file an appeal falls between March 12 and July 15, 2020;
- Tolls the statute of limitations – for any additional tax – that might expire between March 12 and July 15, 2020. This gives the FTB until July 15, 2020, to issue a timely Notice of Proposed Assessment.

NATIONAL

Funding Options for Businesses

As detailed in previous updates, Congress has authorized emergency economic relief assistance for businesses that qualify for the Paycheck Protection Program. There are four main Coronavirus Relief

[funding options](#) at the federal level for those seeking relief.

1. [Paycheck Protection Program](#)
This loan program provides loan forgiveness for retaining employees by temporarily expanding the traditional SBA 7(a) loan program.
2. [EIDL Loan Advance](#)
This loan advance will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.
3. [SBA Express Bridge Loans](#)
Enables small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 quickly.
4. [SBA Debt Relief](#)
The SBA is providing a financial reprieve to small businesses during the COVID-19 pandemic.

For those who need assistance, the SBA has a website to help those who need assistance. Click [here](#) to be directed to a site for free business counseling.

Scaled Back Paid Leave

The Trump administration has substantially scaled back paid leave requirements for employers that were created by a new coronavirus relief law, effectively exempting many small businesses. In new [guidance](#) the Labor Department said that employers at companies with fewer than 50 workers had broad latitude to decline to offer the 12 weeks of paid leave that the law required for workers whose children were home from school or for child care because of COVID-19. The legislation, which provides two weeks of paid sick leave and 12 weeks of paid family leave, and reimburses employers for it with tax credits, already excludes workers at companies with more

than 500 employees. In all, more than [75 percent](#) of American workers are at companies that qualify for exemptions from the law.

Enacted in last month, [the law said](#) that businesses with fewer than 50 employees could be exempted from providing the leave if it would prevent the business from functioning, leaving it to the Department of Labor to specify what that meant. The department on Wednesday issued its guidelines, giving an expansive definition that allowed small businesses significant leeway not to provide the leave. Under the guidelines, small businesses cannot be exempted from providing sick leave for an employee's own illness. But companies with fewer than 50 employees could decline to provide paid leave for childcare if doing so would "cause the small business to cease operating," if workers' absences would pose "a substantial risk" to the company, or if there were not enough workers "able, willing and qualified" to fill in for the person seeking leave. Health care providers and first responders, as well as certain federal government employees, can also be denied the paid leave. Senator Patty Murray and Representative Rosa DeLauro urged Eugene Scalia, the labor secretary, to rescind some guidelines. [In a letter](#), they wrote to Mr. Scalia that the guidelines "violate congressional intent" and "contradict the plain language" of the legislation.

Paycheck Protection Program Update

The Treasury Department published several updates to the Paycheck Protection Program (PPP) on their [website](#). Among those listed are the [revised guidance](#) for borrowers, an updated [Borrower Application Form](#), and an [Interim Final Rule](#) from the Small Business Administration (SBA). Noteworthy provisions of the Interim Final Rule include the following:

- Borrowers have the burden of complying with the PPP criteria, and lenders will be largely held harmless in the process and will be required to do relatively little diligence.
- The Interim Final Rule sets forth certain examples on calculating payroll costs, intended to facilitate calculations for borrowers.
- Compensation to independent contractors cannot be included in payroll costs for an applicant, because independent contractors can separately apply for a PPP loan.
- The interest rate on the PPP loan has been increased from the prior guidance of 0.5% to 1%.
- Priority for PPP loans is on a "first-come, first-served" basis.
- Borrowers that received an Economic Injury Disaster Loan (EIDL) as of April 3, 2020 may be eligible to apply for a PPP loan.
 - If the EIDL was used for payroll costs, then the proceeds of the PPP loan must be used to refinance the EIDL.
 - Proceeds from any EIDL advance up to \$10,000 will be deducted from the loan forgiveness amount on the PPP loan.

Noteworthy changes to the application include:

- Changes in the certifications required of the borrower/applicant, which now are required only from an authorized representative of the applicant.
- The application now seeks to know whether the U.S. is the principal place of residence for all employees of the applicant, and if the applicant is a franchise listed in the SBA's Franchise Directory.

Revised guidance for borrowers from the SBA makes clear that PPP loan proceeds can be used to cover paid sick leave.

Cybercriminals

Millions of Americans are working from home to help reduce the spread of the coronavirus disease 2019 ([COVID-19](#)). And as we settle into this "new normal," cybercriminals are exploiting the disruption caused by the pandemic and upping the ante with their digital attacks. According to [Forbes](#), fraudsters, ranging from individuals, to organized criminal groups and even nation-state sponsored threat actors, are preying on public fear and anxiety to generate an onslaught of COVID-19-related cyber scams. The [FBI warns consumers to be on the alert](#) for:

- **Emails "from" the [CDC](#)** or other organizations claiming to provide information on the coronavirus. Criminals can use embedded links or attachments to infect your computer with malware to steal personal data or with ransomware that locks your computer until you pay up.
- **Tracking apps and websites alleging to chart the spread of the virus** worldwide, such as [CovidLock](#), a malicious Android app that was actually ransomware in disguise. What's more, experts say "[coronavirus-themed](#)" domain names are 50% more likely to be malicious than other domain names.
- **Phishing emails asking you to verify your personal information** so you can receive money from the Government in the form of an [economic stimulus check](#). The FBI points out that agencies do not send unsolicited emails asking for your personal information to send you funds. Other phishing emails may also ask for charitable contributions, promote fake cures, vaccines, or testing kits.
- **Counterfeit treatments or equipment.** Beware of all products that proclaim to prevent, treat, diagnose, or cure COVID-19. Also, be wary of counterfeit products like sanitizing products and Personal Protective Equipment (PPE). These include N95 respirator masks, goggles, full face shields, protective gowns, and gloves. In fact, the Federal Trade Commission (FTC) and the U.S. Food and Drug Administration (FDA) recently [sent warning letters to seven companies](#) for deceptively stating that their products treated or prevented COVID-19.

ARTICLES OF INTEREST

Rent Cancellation

A San Francisco County Supervisors proposed a resolution that would call on state and federal officials to declare a moratorium on rent and mortgage payments because of the coronavirus pandemic. To read more, click [here](#).