

## COVID-19 Update From EKA – May 26, 2020

### Stay At Home Order Day 68

Today is day 68 of the [statewide "Stay-at-Home" Order](#). 76 days ago, the World Health Organization declared COVID-19 a Pandemic. Safer at Home orders have been in place in Los Angeles since March 19.

### Previous EKA COVID-19 updates

Our previous COVID-19 updates can be found [here](#). Feel free to share our updates with friends and colleagues. We hope you find the information in the EKA updates and the questions they raise to be informative. If you have any COVID-19 government or communications questions, please reach out to any member of the EKA team. If you have a specific COVID-19 question, click [here](#) and we will attempt to answer it in our update.

### Reopening's & Safer at Home Orders

The California Department of Public Health said in-store shopping would be permitted throughout the state with approval from County Health officials. [On Twitter](#), L.A. County Supervisor Janice Hahn said, "all retail stores statewide will now be able to reopen for in-store shopping under the same rules Target and Walmart have been able to operate under throughout this crisis." Last week (see [Twitter](#)), Hahn wrote to Governor and proposed he amend the state's health order to allow all retailers to reopen with limited capacity, mask requirements and physical distancing. To read the California Dept of Public Health Order, click [here](#).

More than 40 counties statewide have received the go-ahead from Sacramento to reopen ahead of schedule. Los Angeles County is allowing increased outdoor and retail activities for residents. The County opened indoor shopping malls for curbside service. Click [here](#) to view the checklist for retail establishments opening for curbside pickup. To view the updated Health Order, click [here](#). In Orange & San Bernardino Counties, the Governor approved [Stage 2](#) of the gradual reopening plan for the state. Despite this announcement, which means a larger variety of local businesses will be permitted to reopen. The following types of businesses are permitted to move forward with reopening plans, restaurants (in-person dining), retail manufacturing (detailed [here](#)) offices, outdoor museums, limited personal services (Click [here](#) for details). All businesses that are permitted to reopen as part of Stage 2 must comply with posted requirements listed [here](#). Dine-in restaurants can find the state's applicable requirements listed [here](#). [Ventura](#) and [Riverside](#) counties have reopened restaurants for dine-in service as well as indoor shopping, with restrictions.

The Governor issued guidance yesterday to churches and other houses of worship in California on how they can safely reopen. Under a long list of guidelines, places of worship must limit attendance to 25% of building capacity or 100 attendees, whichever is lower. This limitation will be in effect for the first 21 days of a county public health department's approval of religious services within their jurisdictions, after which the California Department of Public Health will review the limits. They must also arrange for social distancing of at least 6 feet between people,

establish and implement a COVID-19 prevention plan for every location, train staff on the plan, and regularly evaluate workplaces for compliance. Click [here](#) to view the guidance. The Centers for Disease Control and Prevention released "interim guidance" last week for Communities of Faith, while continuing to warn that "gatherings present a risk for increasing the spread of COVID-19 during this public health emergency." To view the CDC guidance, click [here](#).

## LOS ANGELES COUNTY

### **Minimum Wage**

The Los Angeles County Board of Supervisors meets this morning and consider a motion by Supervisor Barger to call for an analysis of the pros and cons of postponing the next minimum wage increase by businesses in the unincorporated areas of the County by up to one-and-a-half years. The County's minimum wage is \$13.25 per hour for companies with 25 or fewer employees and \$14.25 per hour for companies with 26 or more employees. It is scheduled to increase on July 1 to \$14.25 an hour for companies with 25 or fewer employees, and to \$15 an hour for companies with 26 or more employees. Beginning July 1, 2022, the minimum wage for all workers in the unincorporated areas of L.A. County will increase annually based on the Consumer Price Index for Urban Earners and Clerical Workers. L.A. County's minimum wage implementation calendar is 1 ½ years ahead of the state implementation calendar of minimum wage increases. The County's minimum wage increase is on a fiscal year cycle while the state's increase is on a calendar year cycle. The current state minimum wage is \$12 an hour. The state minimum wage will increase to \$13 an hour on January 1, 2021, for companies with 25 or fewer employees and \$14 an hour for companies with 26 or more employees. The last increase will take effect on January 1, 2023. Barger's Motion seeks an analysis of the pros and cons of postponing the next increase of the minimum wage by businesses in the unincorporated areas of the County by one year, from July 1 to July 1, 2021. An analysis of the pros and cons of postponing the next increase of the minimum wage by businesses in the unincorporated areas of the County by one-and-a-half years, to align with the state implementation calendar of minimum wage increases. To read the Motion, click [here](#).

### **Motion To Allow For Variances For Local Communities**

Supervisors Barger and Hahn are moving forward with efforts to push California to allow for local communities to expedite reopening. They are going to bring a Motion to push the state to allow for variances within L.A. County. The County targeted July 4 as a potential countywide reopening date, but several cities in the County have voiced that they would like to reopen sooner based on their COVID-19 numbers.

### **Motion for More COVID-19 Testing By Coroner**

Supervisor Solis introduced a Motion calling on more testing for COVID-19 by the coroner's office. Solis' Motion suggests the possibility of a website or phone line where families could seek guidance on whether a recently deceased person could be tested. The Motion seeks to direct the medical examiner-coroner to work with county attorneys and health department authorities to develop criteria for who could be tested and protocols for those tests. Solis envisions making tests available in cases even when the coroner would not otherwise be asked

to take jurisdiction. Solis' Motion calls for a report back in two weeks. To read the Motion, click [here](#).

### **Skilled Nursing Facilities**

Supervisors Ridley-Thomas and Barger will ask the board to appoint an inspector general to oversee skilled nursing facilities, which account for more than half of all deaths from COVID-19 in Los Angeles County. The Motion also calls for bringing in the County's auditor-controller to ensure closer monitoring of skilled nursing facilities immediately. The inspector general would be tasked with developing recommendations on how to strengthen oversight for skilled nursing facilities, and how to improve their operations long-term. To read the Motion, click [here](#).

### **Jobless Rate Soars Thanks to Continuing Pandemic**

The California Employment Development Department said that the economic effects of the pandemic are significant. Los Angeles County's seasonally adjusted unemployment rate at 19.6% in April, well above the 6.7% rate in March. The 19.6% rate dwarfed the 4.5% unemployment level from April 2019. Statewide, the seasonally adjusted unemployment rate was 15.5% in April, up from 5.5% in March and well above the 4.2% level in April 2019. The comparable estimates for the nation were 14.7% in April, 4.4% in March and 3.6% in April 2019. According to the EDD, total nonfarm employment in Los Angeles County dropped by 685,000 jobs between March and April, a 15% decline, dropping the number of positions to just under 3.9 million jobs.

### **COVID-19 Help: For Renters and Landlords**

L.A. County has launched two new rent relief programs: the Emergency Rental Assistance Program (for residential tenants) and the Rent Relief program (for landlords of the 1st and 2nd districts). These programs provide a lifeline to income-eligible renters and mom-and-pop landlords in some unincorporated areas of L.A. County. Those eligible for this program must be impacted by the COVID-19 pandemic - whether it's through job loss, furloughs or reduction in hours or pay. If found eligible, the Rental Assistance Program provides rent payments to property owners on behalf of a household, up to \$1,000 per month, for three months. Rent relief for landlords is available for residents of the [First Supervisorial District](#) and the [Second Supervisorial District](#). Applications for both programs must be received **by May 31, 2020**. For full details on the programs, visit the [L.A. County Development Authority's website](#). Renters can [click here](#) to apply or dial 2-1-1.

## **CITY OF LOS ANGELES**

### **Deadline Approaching**

On Wednesday, May 6, the Los Angeles City Council amended and expanded the scope of the City's eviction moratorium ordinance, including **new owner notification requirements**. The City requires owners to provide new written Notice to Residential Renters by **May 27, 2020**. Based on City Council action, owners are required to:

- Provide written notice of the rights provided by the Ordinance ("Protections Notice"), utilizing the notice as issued by the Los Angeles Housing + Community Investment Department (HCID+LA) without modification, to each residential renter within fifteen (15) days of May 12, 2020, the Ordinance's effective date and provide such notice during the local emergency period and for twelve (12) months after its termination, each time the owner serves a notice to pay or quit, a notice to terminate a residential tenancy, a notice to perform covenant or quit, or any eviction notice; and
- The Protections notice must be provided in English and the language predominantly used by each renter.

Owners **must use the HCID+LA Protection Notice** and cannot write their own notice to renters by May 27, 2020. **To view the required notice, click [here](#).**

### **Slow Streets Program**

The Mid City West Community Council is establishing a Slow Streets LA program to give pedestrians and cyclists more room to social distance and protection from automobiles during the pandemic. The Mid City Slow Streets program route will limit vehicle access starting at Colgate Avenue to Oakwood Avenue, then travel east to Hayworth Avenue before moving a block north to Rosewood Avenue. The Slow Streets will continue along Rosewood until Formosa Avenue, where it will extend north to Willoughby Avenue. The Los Angeles Department of Transportation has started temporarily closing portions of residential streets throughout the City, and people can apply online to have their neighborhoods included in Slow Streets LA. According to the Slow Streets LA website, residents and neighborhoods using a slow street must adhere to health guidelines of the Safer at Home orders. Gathering of groups, barbecuing with other people, playing games involving physical contact and other gatherings are still prohibited. Click [here](#) for additional information.

### **DOJ Sends Warning Letter to City**

The Department of Justice sent a letter to Los Angeles Mayor Eric Garcetti with concerns about his Safer at Home orders during the COVID-19 pandemic. The letter warned Garcetti that his approach to the Safer at Home orders might be arbitrary and heavy-handed. Eric Dreiband, assistant attorney general for the DOJ's Civil Rights Division, cited statements made by the mayor and Barbara Ferrer, Los Angeles County's director of public health. ``Reports of your recent public statements indicate that you suggested the possibility of long-term lockdown of the residents in the City and County of Los Angeles regardless of the legal justification for such restrictions

### **City Council**

The EKA team is tracking the City Council meetings on [May 26](#) and [May 27](#). Below are some of the items we are following.

Item	Description	Council File
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### **May 26 Council Meeting Agenda Items**

8	TRANSPORTATION COMMITTEE REPORT relative to designating stalls with electrical charging stations for the exclusive use of charging and parking a vehicle that is connected for electric charging.	<a href="#">20-0067</a>
14	CONSIDERATION OF MOTION (BLUMENFIELD - O'FARRELL) relative to mitigation measures and implementation of enhanced penalties and fines for the littering of Personal Protective Equipment (PPE).	<a href="#">20-0533</a>

<b>May 27 Council Meeting Agenda Items</b>		
34	TRANSPORTATION COMMITTEE REPORT relative to converting push-button crosswalk signals to automatic, non-button pedestrian signals in response to the COVID-19 pandemic emergency.	<a href="#">20-0565</a>
35	TRANSPORTATION COMMITTEE REPORT relative to transit projects eligible to compete for funding from the Los Angeles County Metropolitan Transportation Authority (Metro) Active Transport Cycle 1 Call for Projects.	<a href="#">20-0504</a>
36	TRANSPORTATION COMMITTEE REPORT relative to the Los Angeles Department of Transportation's (LADOT) response to, and ongoing operations during the COVID-19 pandemic emergency.	<a href="#">20-0513</a>
38	COMMUNICATION FROM THE CITY ATTORNEY and ORDINANCE FIRST CONSIDERATION relative to amending the Los Angeles Municipal Code (LAMC) to provide temporary protection for occupants of self-service storage facilities during the COVID-19 pandemic.	<a href="#">20-0472</a>
40	CONSIDERATION OF AND ACTIONS RELATED TO MOTION (BLUMENFIELD - PRICE) relative to an emergency ordinance to eliminate financial and regulatory burdens on small businesses affected by the Coronavirus COVID-19 Emergency Declaration.	<a href="#">20-0380-S1</a>
41	ADMINISTRATIVE EXEMPTION and COMMUNICATION FROM THE BOARD OF AIRPORT COMMISSIONERS (BOAC) relative to deferring rent for certain Van Nuys Airport tenants.	<a href="#">20-0581</a>
42	CONSIDERATION OF MOTION (MARTINEZ - O'FARRELL for WESSON) relative to establishing a new ad hoc committee of the Council with the name of Ad Hoc Committee on COVID-19 Recovery and Neighborhood Investment, and related matters.	<a href="#">20-0495</a>

## LONG BEACH

### COVID-19 Paid Sick Leave

Long Beach joined a growing number of California cities and counties that have extended COVID-19 related paid sick leave to employees who would not be eligible for analogous paid federal leave. Long Beach passed an emergency ordinance requiring employers with over 500 employees to provide paid supplemental sick leave to certain workers affected by COVID-19, effective immediately. The Ordinance requires private employers with 500 or more employees nationwide to provide employees with Paid Supplemental Sick Leave (PSSL) for certain COVID-19 related absences. The Ordinance covers any employee who performs any work within the geographic boundaries of the City of Long Beach. There is currently no end date for the Ordinance; the city manager must report to the City Council and Mayor every 90 days for the City Council to determine whether to continue the Ordinance. Determinations will be made after each report. Employees claiming a violation can sue for reinstatement, back pay, PSSL unlawfully withheld, punitive damages, and other legal or equitable relief. A prevailing employee can also seek reasonable attorneys' fees and costs.

## RIVERSIDE COUNTY

### Reopening in Riverside

Retail stores, shopping malls and swap meets in Riverside County can reopen, and restaurants can serve dine-in customers. The County has been approved for "Stage 2.5" of the Governor's four-stage reopening plan. Schools "with modifications" are also allowed to open in the accelerated reopening stage, but a county public health order closing schools until June 19 remains in effect. The County received the go-ahead after meeting several benchmarks, including a low positive test rate for COVID-19 and having enough hospital capacity to weather a surge in coronavirus cases. To watch the County news conference, click [here](#).

## CULVER CITY

### Indoor Shopping Malls

the City Manager issued the [14<sup>th</sup> Supplement to Public Order](#), which allows lower-risk indoor retailers in shopping malls to be open for curbside service. Retail establishments and their customers must practice physical distancing and wear face coverings. The businesses must also comply with the conditions laid out in the County's [Checklist for Retail Establishments Opening for Curbside Pickup](#) as well as all [Culver City requirements](#). Shopping malls must create clearly-marked curbside or outside pickup points that maintain physical distance with visual cues or other measures, and have purchased goods available there or available through home delivery. Lower-risk retailers located within a mall may take orders and deliver goods to the public outside of the mall from these marked locations.

## SACRAMENTO

### **Bars, Wineries Without Kitchens Now Allowed to Serve Alcoholic Drinks To Go**

The California Department of Alcoholic Beverage Control said bars, breweries, distilleries and wineries in California that do not have their own kitchens, but partner with meal providers can now sell alcoholic beverages to go, so long as they are sold with a meal and served in a sealed container. The ABC said they make the change to ``assist over 50,000 small and large businesses facing severe economic challenges during the COVID-19 pandemic. The department authorized thousands of licensees to use parking lots, patios or sidewalks to help fight coronavirus by spreading out patrons and providing more areas for physical distancing. To read the rules, click [here](#). To view the notice that allows ABC licensees to expand their premises footprint by using parking lots, patios, click [here](#).

### **WCIRB Evaluates Impact on Workers' Compensation Costs**

The Workers' Compensation Insurance Rating Bureau of California (WCIRB) released its [Evaluation of Cost Impact](#) of Governor Newsom's Executive Order on Rebuttable Presumption for California COVID-19 Workers' Compensation Claims. In this evaluation, the WCIRB estimated the cost impact of the Governor's May 6, 2020, [Executive Order N-62-20](#) providing for a rebuttable presumption of compensability for all workers directed by their employer to work outside their home applicable for the period of March 19, 2020 to July 5, 2020. The WCIRB estimates the cost of COVID-19 claims filed by workers subject to the Executive Order ranges from \$0.6 billion to \$2.0 billion with a mid-range estimate of \$1.2 billion. This mid-range estimate comprises 7 percent of the \$18.3 billion estimated annual cost of workers' compensation claims in the system before the pandemic. This cost evaluation differs from the WCIRB's [April evaluation](#) of a potential conclusive presumption in that the Executive Order is limited to an approximate four-month period, two of which have already elapsed, applies to all workers working outside the home at the direction of their employer and reflects a rebuttable rather than conclusive presumption of compensability. The full study is available in the [Research](#) section of the WCIRB website or by clicking [here](#). The WCIRB will host a free webinar to discuss its [Evaluation of Cost Impact](#) of Governor Newsom's Executive Order on Rebuttable Presumption for California COVID-19 Workers' Compensation Claims. Click [here](#) to sign up.

### **Big Bear Lake**

The City of Big Bear Lake will no longer enforce the Governor's stay-at-home orders and is letting businesses decide when they're ready to reopen. After ten weeks of business closures and restrictions on residents, the novel coronavirus is manageable in the City. Still, it's caused "significant and continuing economic and social harm," according to a city newsletter. Last week the Council agreed to stop enforcing and communicating state orders, instead referring businesses to the Governor's guidelines for reopening safely.

## **NATIONAL**

### **Stimulus Payments Through Pre-paid Debit Cards**

Instead of paper checks, the IRS is sending 4 million people their Economic Impact Payments as a free, secure prepaid debit card. Expect to receive this prepaid card if you didn't provide the

IRS with bank info for a direct deposit. You can use it like a regular debit card: Get cash at ATMs, make purchases, and transfer funds to a personal account. For detailed information, click [here](#) to read the Treasury Department press release.

### **Department of Education**

We previously discussed the class-action lawsuit filed against the U.S. Department of Education in which the plaintiffs alleged that some employers were continuing to garnish wages for defaulted student loans, despite the temporary pause ordered as a result of the COVID-19 pandemic. In response, the Department of Education has stated it has sent letters to nearly 37,500 employers ordering them to stop garnishing employees' wages, and staff are actively calling the employers to ensure they have received the notice. It has also sent letters to 83,500 defaulted borrowers instructing them on how to contact their employer if the garnishment continues. To read the press release, click [here](#).

### **Hollywood Executive Arrested**

William Sadleir, the former head of [Aviron Pictures](#) was arrested on federal fraud charges that allege he applied for \$1.7 million in loans under the Paycheck Protection Program (PPP), falsely certified that the money would be used to finance the operations of other Aviron entities, and then used some of the relief funds for his personal expenses. The criminal complaint that accuses him of fraudulently filing bank loan applications that sought more than \$1.7 million dollars in forgivable PPP loans guaranteed by the SBA under the CARES Act.

### **Potential Changes To PPP Loans**

The U.S. small business relief program may be changed to allow borrowers to use their loans to buy personal protective equipment for workers and pay for upgrades needed to reopen amid the coronavirus pandemic. A proposed bill, a bipartisan effort led by Sen. Marco Rubio, would give small business owners more flexibility in how they use the loans, addressing several persistent complaints about the \$660 billion effort. It would extend the window in which borrowers can deploy the funds to 16 weeks from the eight currently allowed and pushes the deadline to apply for the program to December 31 from the current June 30, according to a draft of the legislation called the Paycheck Protection Program Extension Act. It would also allow borrowers to use loan funds to purchase personal protective equipment for employees and to pay for adaptive investments needed to reopen safely. To view the Senator's Tweet, click [here](#).

### **CDC Issues New Guidance to Colleges**

The Centers for Disease Control and Prevention issued [new guidance](#) for colleges as they reopen their campuses. Colleges will be looking to the CDC as many prepare to welcome back students, [19.9 million](#) of whom were enrolled at U.S. colleges last fall. While the guidance does not address when or whether colleges should resume in-person classes, it describes practices colleges can put in place to reduce coronavirus spread and promote a healthy student body and workforce. It also outlines steps they should take to address suspected COVID-19 cases on their campuses. The CDC guidance notes that institutions of higher education "vary considerably in geographic location, size, and structure. As such, IHE officials can determine, in collaboration

with state and local health officials, whether and how to implement these considerations while adjusting to meet the unique needs and circumstances of the IHE and the local community. Implementation should be guided by what is feasible, practical, acceptable, and tailored to the needs of each community."

## **LEGAL DEVELOPMENTS**

### **CA Ban On In-Person Church Services**

The 9th U.S. Circuit Court of Appeals rejected the South Bay United Pentecostal Church in Chula Vista lawsuit, which hoped to overturn the state's ban on in-person church services. The lawsuit claimed the Governor and other state officials violated the Church's First Amendment rights with stay-at-home orders issued because of COVID-19. In a 2-1 decision, the court upheld the state's ban, saying it doesn't violate the First Amendment. A federal district court denied the request for a temporary injunction. **Note:** While the 9<sup>th</sup> Circuit ruled against the Church, as mentioned at the top of our update, the Governor said places of worship could reopen with limited capacity.

### **Lodi Gym**

The United States District Court Eastern District of California denied Sean Covell, the owner of one Fitness System Gym location in Lodi and two in Sacramento, a restraining order against Governor Newsom's Stay-At-Home Order as well as an order to show cause why a preliminary injunction should not be issued. Covell sued the Governor and San Joaquin County Officials, arguing the Order violated the U.S. Constitution and has cost him \$850,000. The court ruled that California and San Joaquin County gym closures show a connection with public health safety and that Covell's claim that those orders were "too far-reaching" to relate to public health were invalid. The court also ruled that the State and County orders were not a plain invasion of Covell's fundamental rights. This was the third time Covell's appeal was denied.

### **Student Loans**

Individuals representing a class of millions of student loan borrowers filed a federal lawsuit in Northern California against five of the nation's largest financial companies for allegedly illegally ruining borrowers' credit and mishandling student loan debt relief under the CARES Act in the wake of the COVID-19 pandemic. The lawsuit named the student loan servicer Great Lakes as well as consumer reporting agencies Equifax, TransUnion, Experian and Vantage Score. Great Lakes is among the largest servicers of federal student loans and services student loans for approximately 8 million customers. The plaintiffs make several allegations, including that their credit scores were improperly damaged when their federal student loans were paused due to the CARES Act - the \$2.2 trillion financial stimulus package. Under the CARES Act, all federal student loan payments are paused as of March 13, 2020, until September 30, 2020. As a result, borrowers are not required to make federal student loan payments. Further, borrowers who do not make payments should have [no impact to their credit score](#). Despite this law, the plaintiffs allege that their credit score was damaged anyway. To review the lawsuit, click [here](#).

### **Glendale Nursing Home**

The family of Ricardo Saldana who died after contracting the COVID-19, has accused his nursing home of preventing staff from wearing masks and gloves during the pandemic, downplaying the threat of the virus and withholding information about exposure to COVID-19 inside the Glendale facility. The lawsuit claims neither Glenhaven Healthcare nor its owners took any "precautions to identify or isolate employees or residents infected with or exposed to the virus," one of many lapses that they allege led to his death.

### **Texas Nursing Home**

The family of a nursing assistant filed a wrongful death claim against one of Texas's largest nursing home operators. This complaint focuses on the alleged failure of Regency Integrated Health Services to supply the proper and appropriate PPE. Though the lawsuit acknowledges the changing standards during the early days of the public health emergency, it nonetheless seeks to hold the facility responsible for the nursing assistant's death. On top of the difficult burden of proof on causation, however, the family also faces the interesting issue of how the Texas workers' compensation system and its employer immunity will apply.

### **Law Firm**

In New York, a law firm has sued Governor Cuomo and Attorney General James over their adoption and enforcement of restrictions on its operation. The law firm alleges it was given an exemption from the shutdown orders as an "essential business," and yet, despite applying social distancing and sanitation protocols, it has been subjected to investigations and demands from Attorney General James' office. The law firm alleges violations under the commerce clause, contract clause, due process clause, equal protection clause, takings clause, and New York law. A copy of the complaint is available [here](#).

### **Rent Freeze**

A group of landlords has challenged a Union City, New Jersey, ordinance that freezes rent increases in rent-controlled units retroactive to March 1, 2020, and prohibits evictions based on nonpayment of rent that became due during the state's COVID-19 state of emergency. The landlords allege the restriction of rent freezes to rent-controlled units is arbitrary and capricious and the restrictions on evictions conflict with state law. They seek injunctive relief and damages under the contracts clause, due process clause, equal protection clause, takings clause, and several New Jersey statutes. In an early setback for the plaintiff, however, the presiding judge denied temporary injunctive relief pending briefing on a request to show cause. A copy of the complaint is available [here](#).

### **Paycheck Protection Program**

Payday Money Centers, has voluntarily dismissed its lawsuit challenging the bar on loans to lenders under the Paycheck Protection Program, but only after a bank approved its loan. Payday Money Centers filed its initial complaint in April, arguing its loan application was improperly denied because the SBA's "flawed" interpretation of the CARES Act, which resulted in lenders not being eligible for PPP loans. The suit was dismissed on May 11 without prejudice, which will presumably allow the lender to bring a claim in the event the loan is not forgiven. To read the now dismissed complaint, click [here](#).

## **GrubHub**

A lawsuit filed last week against GrubHub accuses the food delivery service of using its app to deceive customers with false ads. The complaint, filed by a Denver restaurant owner, alleges the GrubHub app shows certain restaurants as being closed when they are, in fact, open. The complaint further alleges that displaying this type of false information encourages potential customers to order from restaurants that are GrubHub partners and has hurt business for those that are not, particularly when demand for food delivery has increased amid the COVID-19 pandemic. News coverage on the case is available [here](#) and [here](#).

## **NORTHERN CALIFORNIA**

### **Sick Leave**

[Oakland](#), [San Francisco](#), and [San Jose](#) all passed emergency paid sick leave ordinances mandating employers to provide supplemental leave to employees unable to work as a result of the COVID-19 public health emergency. Oakland's COVID-19 Emergency Paid Sick Leave Ordinance is broader, impacting a larger pool of employers and adding costs to employers if layoffs occur. Oakland's Ordinance is similar to those enacted in San Francisco and San Jose in that it requires covered employers to provide eligible employees with up to 80 hours (or a pro-rated amount based on hours worked over two weeks if not full-time) of emergency paid sick leave to use for covered reasons. However, in Oakland, employers who fall under the Families First Coronavirus Response Act (FFCRA) are also subject to Oakland's COVID-19 Emergency Paid Sick Leave Ordinance. The Oakland ordinance significantly deviates from its neighboring cities in requiring the payout of accrued leave, as detailed below.

## **QUESTIONS EKA HAS RECEIVED**

**In a recent update, you provided a link to the PPP Forgiveness application. Is this the final document, or will the SBA be issuing any new regulations and guidance to assist borrowers with the application?**

EKA has heard from several people that the PPP loan forgiveness application is confusing. The PPP forgiveness application is an [11-page document](#) answers many questions. The SBA said it would "soon issue regulations and guidance to further assist borrowers" with the applications. One of the significant provisions in the new forgiveness application gives flexibility for businesses who received the loan in the middle of a pay period. Businesses are now able to use an "alternative payroll covered period" for those with a biweekly (or weekly) payroll schedule over the eight weeks and can elect to calculate "eligible payroll costs" using the first pay period after they got the PPP funds, per the application. Another notable clarification was aimed at concerns that only expenses borrowers paid during the time they had the loan could be covered for forgiveness. Now, borrowers can include payroll and eligible non-payroll expenses that were incurred (not only paid) during the eight weeks after receiving the loan, so long as they're paid on or before the following regular payroll date. The application also includes some clarity on how to calculate "full-time equivalents" for employees, which is key for the

forgiveness side of the loans, among several other measures detailed on the Treasury's site. Click [here](#) for additional information and to read the SBA press release.

### **Can you summarize the Right of Recall Ordinance in Los Angeles County?**

Not long after the City of Los Angeles enacted its "[Right of Recall](#)" ordinance, the County of Los Angeles shortly followed suit. The County Board of Supervisors recently adopted [similar measures](#) to establish a right of recall for hospitality workers and others throughout [unincorporated areas of Los Angeles County](#) that were laid off due to the COVID-19 pandemic. Under both [Los Angeles City](#) and [Los Angeles County](#) Right of Recall Ordinances, priority must be given to laid-off workers whose most recent separation from active employment occurred on or after March 4, 2020, as a result of lack of business, reduction in force, or other economic, non-disciplinary reason. Both ordinances create a rebuttable presumption that any termination on or after March 4, 2020, was due to a non-disciplinary reason. Unlike the City, the County Ordinance does not carve out managers, supervisors, or confidential employees. Recall notices must be made in writing and provided by mail to the worker's last known address, email, or text message. Workers have five business days to accept or decline the offer.

Positions must be offered to laid-off workers in the following Order of priority. If the laid-off worker:

- Held the same or similar position at the same site of employment at the time of the laid-off worker's most recent separation from active service with the employer; or
- Is or can be qualified for the position with the same training provided to a new worker hired into that position. If more than one laid-off worker is entitled to preference for a position, the offer must go to the laid-off worker with the greatest length of service in the position, and then to the laid off-worker with the greatest length of service at the employment site.

Employers with collective bargaining agreements in place are exempt, as long as they contain a right of recall provision. But the County's Ordinance also allows ordinance provisions to be expressly waived by a collective bargaining agreement if the waiver is explicitly outlined in the agreement in clear and unambiguous terms. These Ordinances create a private right of action for laid-off workers in state court for violations. But employers must first be given notice of the alleged violation and allowed 15 days from receipt of the notice to cure. Potential relief may include hiring and reinstatement rights, lost pay and benefits, statutory damages, reasonable attorneys' fees, and costs. Neither Ordinance has an official end date.

## **WHAT WE'RE READING**

### **Card Clubs Offer Reopening Plan As Tribal And Vegas Casinos Get Back In The Game**

With Las Vegas casinos expected to open next month and a handful of tribal casinos in California already taking bets, Los Angeles County's card club operators put forward a set of health protocols that they hope will enable them to reopen within weeks. The 20-page list of protocols agreed upon by the six card clubs was presented to Gov. Gavin Newsom this week. It includes some proposed changes already adopted by tribal and Las Vegas casinos, such as increasing the distance between players at card tables, cleaning more frequently and taking the temperatures of gamblers as they enter. To read the full story, click [here](#).

### **Las Vegas Will Look A Lot Different. Here's What To Expect On Your Next Visit**

Many properties have aimed for a June 1 restart in the gambling mecca closed almost overnight in the middle of a hot streak. Free parking, but no valet service. Bartenders, blackjack dealers and waiters wearing masks. Hand sanitizer everywhere. Yes, dice will roll, cards will be dealt and slot machines will beckon. But poker rooms? Closed. Tourists returning to Las Vegas will see changes since gambling stopped in mid-March for the first time ever to stem the spread of the coronavirus. To read the full story, click [here](#).

### **California To Spend \$1.8 Billion More On Virus Response**

California Gov. Gavin Newsom on Thursday took an extra \$1.8 billion from the state's dwindling coffers to pay for more protective gear and extra hospital beds to aid the state's response to the new coronavirus. Newsom expects the federal government will reimburse the state for 75% of that spending. The new spending comes as state lawmakers are debating what government services will be cut to cover an estimated \$54.3 billion budget deficit caused by the virus-induced economic downturn. To read the full story, click [here](#).

### **No Respite for Business vs. Labor Battles During Pandemic**

The Covid-19 flame of disease, death and economic devastation has only served to bring aspects of the traditional battle between business and labor to a boil. Optimistically, one might think that the call of 'all in this together' would have different interests pulling on the same end of the rope in hopes of quick economic recovery. But when it comes to major labor laws like AB 5 and PAGA (Private Attorney General Act), no compromise seems acceptable. To read the full story, click [here](#).

### **How COVID-19 Is Impacting California Courts: Roundup Of Services**

State courts across California are implementing a variety of measures to curtail public activity in many instances, and in others to shut down completely. The California Supreme Court suspended in-person oral arguments until "deemed prudent to resume normal measures." Here's a look at how courts across the state are grappling with the threat of the novel coronavirus. To read the full story, click [here](#).

### **Congress Must Fund Another Major Economic Relief Package**

Just a month prior to the onset of the COVID-19 pandemic, the U.S. and California were reporting historic low unemployment rates of 3.5% and 3.9% respectively. With historically low interest rates, low inflation and stable financial markets, most forecasters predicted that output and employment growth would continue through 2020-21. Gov. Gavin Newsom's January [forecast](#) also assumed continued growth and projected a state budget surplus for 2020-21. To read the full story, click [here](#).

### **Courts To Have Final Say Over 'Business Interruption' Coverage**

With no compromise in sight, it appears the debate over business interruption insurance coverage will be solved by litigation, not legislation. At issue are thousands of businesses around California with insurance policies to protect them against a sudden catastrophic event

that forces them to close down for an extended period of time. Like a global pandemic. To read the full story, click [here](#).

### **Hydroxychloroquine Linked To Increased Death, Heart Conditions In COVID-19 Patients**

Seriously ill Covid-19 patients who were treated with hydroxychloroquine and chloroquine were more likely to die or develop dangerous heart arrhythmias, according to a large observational study published Friday in the medical journal The Lancet. Researchers analyzed data from more than 96,000 patients with confirmed Covid-19 from 671 hospitals. All were hospitalized from late December to mid-April, and had died or been discharged by April 21. To read the full story, click [here](#).

### **Fauci Says It Is 'Conceivable' That U.S. Could Deploy Vaccine By December**

It is "conceivable" the U.S. could begin to roll out a coronavirus vaccine by December, the White House's top infectious disease expert said. Dr. Anthony Fauci added that any timeline for a vaccine is "never a promise." "When you're dealing with vaccines there could be so many things that get in the way like it might not be entirely effective," he said. To read the full story, click [here](#).

### **Self-Serve Soda Machines Will Be Increasingly Harder To Find Due To COVID-19, Experts Say**

Helping oneself to a refill or mixing up a custom concoction at a soda fountain are simple habits soda lovers probably took for granted. But due to coronavirus, self-serve food and beverage stations across the country are being shut down. As the country starts to reopen nonessential businesses and restaurants, [the fate of institutions like buffets](#) has felt uncertain (at best) under new guidelines issued by both the Centers for Disease Control and Prevention and local governments. To read the full story, click [here](#).

### **The Pandemic May Forever Change Cities**

It was mostly the worst of times. Cities across the world have become sites of the novel coronavirus pandemic's greatest tragedies. New York City is possibly now the single biggest hot spot of the virus and has suffered close to a quarter of all U.S. deaths. It's a similar ratio in London when set against the rest of Britain. Madrid's toll may be even worse. To read the full story, click [here](#).

### **Surgeon General Jerome Adams Says We Must Invest Much More In Public Health Infrastructure In Underserved Communities, During And After COVID.**

Jerome Adams stresses surveillance, separation, cleaning and coverage in fight against coronavirus; adds investing in public health infrastructure in underserved communities will be better for everyone, before and after COVID. To read the full story, click [here](#).

### **What COVID-19 Budget Cuts Mean for Public Safety Spending**

State funding aimed at programs and supervision for some jail inmates in jails and others on probation will drop sharply as a result of the COVID-19 crisis. While spending on the state correctional system will decrease less than 1% under recently announced [cuts to the California state budget](#), funding for counties may drop 24%. Probable cuts now loom over local budgets as

well, and spending on local public safety may fall significantly. [Although lower jail populations](#) during the pandemic could create budget savings, there may also be a higher need for re-entry and community-based services as released individuals return to communities. To read the full story, click [here](#).

### **Gov. Gavin Newsom's Promise To Feed California Seniors Falling Short So Far**

When Gov. Gavin Newsom announced the start of an initiative last month to deliver free meals to California seniors during the COVID-19 pandemic, he declared that "the universe of those eligible is certainly in the millions." "Even if it's hundreds of thousands that take advantage of this, just in weeks you'll see millions and millions of meals as part of this program," the Governor said at his April 24 news conference. To read the full story, click [here](#).

### **COVID-19: Rats! CDC Issues Warning For 'Aggressive,' 'Hungry' Rats Amid Pandemic**

Reports of "an increase in rodent activity" in several areas amid the novel coronavirus (COVID-19) pandemic have prompted the Centers for Disease Control (CDC) to issue a warning on rats. "Jurisdictions have closed or limited service at restaurants and other commercial establishments to help limit the spread of COVID-19," the CDC said in a statement posted on its website. "Rodents rely on the food and waste generated by these establishments. To read the full story, click [here](#).

### **Vernon Sees COVID-19 Outbreaks At 9 Facilities, Including Farmer John**

Los Angeles County health officials say at least 153 workers out of 1,837 tested have contracted the virus at the facility that produces Dodger Dogs among other products. Out of those 153 who tested positive, 41 have now returned to work as the plant stays open. But that's not the only large industrial facility in Vernon facing an outbreak. There are at least nine now in that City. The other eight are: CLW, Via De France Yamazaki Inc., Cal Farms Meat Company, Takaokaya USA Inc., F. Gavina & Sons Inc., Golden West Trading, Overhill Farms, and Rose and Shore. To read the full story, click [here](#).

### **Here's How COVID-19 Could Change The Way We Fly**

As the world slowly eases its way out of the Covid-19 lockdown, we're on the verge of a new era in air [travel](#). We could soon encounter armies of robotic cleaners patrolling airport concourses, disinfecting check-in counters and ticket kiosks. We might see passengers wafting through security and baggage checkpoints without touching anything. And we might be boarding aircraft where hand gestures and eye movements open overhead stowage bins and navigate our inflight entertainment screens. Everything could become touch-free. Out go the tailored uniforms, in come astronaut-style anti-Covid-19 flight attendant suits. To read the full story, click [here](#).

### **Hertz Files Chapter 11 Bankruptcy As COVID-19 Pandemic Crushes Travel**

Hertz filed for bankruptcy Friday night after failing to reach an agreement with lenders. Hertz has around \$19 billion in debt, including \$4.3 billion in corporate bonds and loans as well as \$14.4 billion of debt backed by their vehicles. The car-rental business has been decimated as the pandemic has ground travel to a halt, forcing Hertz's [CEO to resign](#) as the company missed

lease payments and [laid off 10,000 workers](#) last month. Hertz's stock plunged in after-hours trading following the news. To read the full story, click [here](#).

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### **Japan May Cover Half The Cost Of Your Visit**

[The Japan Times](#) reports on the Japanese government's creative plan to attract visitors, which could see the country covering half of peoples' travel expenses. The program could launch as soon as July (if COVID-19 infections subside soon, which seems hopeful), and the plan is for this to be a roughly 12.5 billion USD program. It goes without saying that I imagine there's a lot more to this program, and that Japan simply won't pay for half of everyone's vacation with no caps. These details haven't been decided on yet, but 12.5 billion USD is a lot of money, and this will definitely be something to watch when plans are announced. To read the full story, click [here](#).

### **Coronavirus: Dr. Anthony Fauci Says Staying Closed For Too Long Could Cause 'Irreparable Damage'**

Stay-at-home orders intended to curb the spread of the coronavirus could end up causing "irreparable damage" if imposed for too long, White House health advisor Dr. Anthony Fauci said. "I don't want people to think that any of us feel that staying locked down for a prolonged period of time is the way to go," he told CNBC. To read the full story, click [here](#).

### **What Parents Should Know About Coronavirus as Kids Return to Babysitters, Day Cares and Camps**

Reopening states after the COVID-19 lockdown raises unnerving questions for working parents who depend on some form of child care, from nannies to day camp. Instead of coming home with a snotty nose, is your child going to bring back the coronavirus? And how do you know your in-home babysitter or nanny, even your child's teacher, isn't a symptom-free spreader? The short answer is that there are no easy answers. To read the full story, click [here](#).

### **The Feds Gave a Former White House Official \$3 Million to Supply Masks to Navajo Hospitals. Some May Not Work.**

A former White House aide won a \$3 million federal contract to supply respirator masks to Navajo Nation hospitals in New Mexico and Arizona 11 days after he created a company to sell personal protective equipment in response to the coronavirus pandemic. Zach Fuentes, President Donald Trump's former deputy chief of staff, secured the deal with the Indian Health

Service with limited competitive bidding and no prior federal contracting experience. To read the full story, click [here](#).

### **Does Anthony Fauci Think Colleges Should Reopen? We Asked Him**

In the past week, universities have begun releasing yet more details about how they plan to bring students, staff, and faculty members back to campus in the coming weeks and months. College presidents have started to roll out the outlines of those plans, with many insisting that their final decisions will be guided by science and advice from public-health professionals. To read the full story, click [here](#).

### **From Camping To Dining Out: Here's How Experts Rate The Risks Of 14 Summer Activities** **To read the full story, click here.**

It has been around two months of quarantine for many of us. The urge to get out and enjoy the summer is real. But what's safe? We asked a panel of infectious disease and public health experts to rate the risk of summer activities, from backyard gatherings to a day at the pool to sharing a vacation house with another household. One big warning: Your personal risk depends on your age and health, the prevalence of the virus in your area and the precautions you take during any of these activities. Also, many areas continue to restrict the activities described here, so check your local laws. To read the full story, click [here](#).

### **Penske Had Secured a PPP Loan While Negotiating Rent Deferral With Cerritos**

Last week, Hews Media Group reported that Cerritos Mayor Naresh Solanki and newly elected Mayor pro tem Chuong Vo, took \$10,000 in campaign donations from the Southland Motor Car Dealers Association – who counts as its members many in the Cerritos Auto Square. Just weeks after they were elected, the two failed to recuse themselves and voted to give the auto square's Penske Cerritos Jaguar a \$70,000 interest free rent deferral. To read the full story, click [here](#).

### **Millions of PPP loan-forgiveness requests are about to rain on banks**

Banks are preparing for a flood of applications for loan forgiveness under the U.S. Paycheck Protection Program, marshaling staff to help borrowers navigate a complicated process that recalls the fraught early days of the COVID-19 small-business relief effort. Companies that received PPP funding in early April can start to submit forgiveness applications at the end of May. Lenders will have to help them sort through a detailed application document, complete the paperwork and get it to the Small Business Administration for approval. Banks made about 4.3 million PPP loans for a total of more than \$500 billion, and the program allows every borrower to request forgiveness. To read the full story, click [here](#).

### **Uber Exception to AB5 Slated For November Ballot**

California voters can vote this November on a ballot initiative that would exclude [Uber and all app drivers](#) from the AB5 law that compels companies to treat independent contractors as employees with all attendant benefits. Secretary of State Alex Padilla announced on Friday that the measure had garnered enough signatures to qualify for the ballot. The Protect App-Based Drivers and Services Act allows drivers to remain independent contractors but provides them

new benefits, including a wage of 120% above the minimum wage and contributions to a Covered California health plan. They would also 30 cents per mile. To read the full story, click [here](#).

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