

COVID-19 Update From EKA – June 8, 2020

Stay At Home Order Day 81

Today is day 81 of the [statewide "Stay-at-Home" Order](#). 89 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.

LOS ANGELES COUNTY

Face Coverings to be Worn in L.A. County Courthouses

The Presiding Judge of Los Angeles County's court system signed an Order requiring people to wear masks or face coverings inside courtrooms and other public areas of courthouses as a result of the coronavirus pandemic. The Order requires people entering any courthouse or courtroom to wear a face covering, mask or face shield over his or her nose and mouth or face at all times within public areas of the courthouse. Those who remove their masks or face coverings after entering a courthouse or courtroom will be reminded to wear them or will be asked to immediately leave the courthouse or courtroom. The Order will remain in effect until further notice allows people whose disabilities preclude them from wearing a mask to seek an exemption under the Americans with Disabilities Act. The Order also mandates at least six feet of physical distance from all people except those from within the same household and mandates the use of hand sanitizer upon entering the courthouse. To read the five page Order, click [here](#).

LOS ANGELES

Budget and Finance Committee

The Budget and Finance Committee meeting is scheduled for today at 2:00 p.m. To view the agenda, click [here](#). The EKA team will monitor the meeting.

Ad Hoc Covid-19 Committee

The New Ad Hoc On Covid-19 Recovery And Neighborhood Investment Committee will be meeting on Tuesday the 9th. Members are Martinez, Wesson, Price, Cedillo and O'Farrell. The agenda is [HERE](#) – the third item on the agenda appears to be the only item that could have some action and is the only item associated with a Council File. The EKA team will monitor the meeting

LONG BEACH

An H.R. Roadmap to Reopening Your Business

The Small Business Development Center is hosting a free webinar on June 8 from 12 p.m. to 1 p.m. that will help businesses think through the process of developing an H.R. Roadmap to reopening their business. To learn register for this webinar, [click here](#).

Kiva Long Beach Loan Program

The Kiva Long Beach Loan Program is an online community-lending program that is designed to support small businesses. Loan amounts range from \$500 to \$15,000. The interest rate is zero percent and there are no fees. The repayment period is up to 36 months. Approved borrowers may access a grace period of 6-months before the first payment is due. Loan proceeds may go toward business expenses, such as payroll, rent, supplies/materials, utilities, and more. All loan applications are reviewed and either approved or denied by Kiva, a nonprofit organization. Approved loans have 30-days to successfully raise the entire loan on Kiva's online crowd-lending platform. To get started, contact the City's Business Hotline at (562) 570-4BIZ (4249) or email BusinessDevelopment@longbeach.gov.

Property Owner Assistance Programs

The City Council directed the City Manager to report back with a summary of available assistance programs for both residential and commercial property owners, including relief programs for property owners to offset the loss of rental income, resources to prevent foreclosure, property tax relief programs, access to affordable loan programs, legislative strategies to encourage State legislation providing such relief programs. On June 1, 2020, City staff provided an update to the City Council that addresses the items listed above. To review this update, click [here](#).

SACRAMENTO

State to Allow Reopenings

California will allow schools, day camps, bars, gyms, campgrounds and professional sports to begin reopening with modifications starting Friday. Mark Ghaly, the state's top health official, said the state will release guidance later Friday for counties to follow to reopen a broad range of businesses that have been closed since mid-March because of concerns about spreading the coronavirus. The rules on schools and day camps will apply statewide. But only counties that have met certain thresholds on the number of cases, testing and preparedness will be allowed to start reopening the other sectors. The state's guidance will also include rules on hotels, casinos, museums, zoos and aquariums and the resumption of music, film and television production. Most of the new businesses are part of "Phase 3." Nail salons will not be included in the list. It's up to counties to determine whether they are ready to reopen based on their ability to manage an expected increase in the number of those testing positive. He said Thursday that the state's coronavirus cases and hospitalizations remain stable. The state is monitoring and

preparing for a potential increase in cases due to broader reopening and mass protests across the state against racial injustice. To view the latest guidance, click [here](#).

COVID-19 Legislation

With just weeks left before legislators leave Sacramento for summer recess, major bills having a significant impact on business will be voted on soon by the Senate or Assembly. Below are the California Chamber of Commerce-opposed bills scheduled to be considered by the Senate and Assembly as early as today. If passed, the bills will move onto the second legislative house, a key hurdle for bills advancing in the legislative process.

Assembly Floor

- [AB 2811](#): Requires any business offering an auto-renewal or continuous service offer to provide the consumer with a notice explaining how to cancel an automatic renewal offer or continuous service offer given specific requirements are met.
- [AB 3260](#): Adds significant risks to landlords and negatively impacts tenants by requiring landlords to allow new tenants to pay a security deposit over six months or obtain a security deposit insurance policy.
- [AB 3262](#): Significantly expands strict products liability for any alleged defect sold on an online "marketplace" platform, even though the platform never physically owned the property, possessed the property, or made any representations regarding the safety of the property. It also eliminates a court's discretion to determine if the marketplace is an integral part of the distribution process to warrant liability for any defect.
- [AB 3271](#): Creates a federally preempted right for minors to disavow an arbitration clause—but no other provisions—in enrollment agreements signed by their parents.
- [AB 2231](#): Codifies a limited definition of the term "de minimis" to determine what level of public subsidy triggers prevailing wage requirements on an otherwise private project, overturning the established practice of viewing the subsidy in the context of the entire project.
- [AB 2954](#): Increases costs of farming and rangeland practices by imposing a statewide goal of carbon sequestration on all-natural and working lands. Threatens to pit districts and crops against other districts and costs based on potential for carbon sequestration, threatening diversity of food production in California.
- [AB 3336](#): Imposes onerous new requirements on Californians looking for work delivering food and restaurants seeking to reach new customers through delivery. This is not the time to be introducing new burdens on food delivery, restaurants, grocery stores and other retail locations, especially while those businesses are struggling to meet demand or stay open during the current crisis.

Senate Floor

[SB 1102](#): Establishes new burdensome requirements on all employers to provide information to employees, and imposes duplicative and unnecessary disclosure requirements for employers of H-2A employees.

RETURNING TO WORK

Letters for Furloughed Employees

Your verbal and written communication during the furlough period has kept you and your employees connected. Now that companies are recalling employees, you may want to ensure that you don't miss any critical steps for their transition back to work. Your documentation and clear communication could minimize anxiety and provide a positive back to work experience! Remember, furloughed employees are active employees, still employed by your company, who have had their hours reduced or may have even been on unpaid status for the last several weeks or months. Every company has unique conditions and restrictions specific to their industry and business. As such, it's important to ensure your communication is customized and familiar to your employees. Based on the best advice EKA has seen, companies may want to consider the following elements when drafting a recall letter:

- **Employment Details:** The recall letter should have a positive tone welcoming the employee, similar to a job offer letter — especially if any information has changed!
- **Outline Any Workplace Changes:** It is important to communicate any changes that may have occurred at your company since the employee was furloughed. If no changes have occurred, note that as well.
- **Mandatory Safety Precautions**

Some of your employees may have concerns about returning to work. Now more than ever, discussing and providing safety training is not only a good idea but also a requirement from the CDC. Many local ordinances will require additional safety precautions. Companies should check [county guidelines](#) as well as [industry guidelines](#) for specific requirements.

General safety rules to implement and communicate include:

- Designation of a resource person if employees have a need for accommodations (assistance) in returning to work
- Identifying a Crisis Management Team or Safety Officer to whom safety concerns can be addressed
- Informing employees of additional training they will receive regarding reducing the spread of COVID-19
- Documenting the safety measures being taken by the company on an ongoing basis to ensure that employees are returning to a safe work environment
- Explaining company policies and procedures related to illness, cleaning and disinfecting
- Following CDC recommendations for all employees who are ill or have come in contact with someone who is ill — be sure to follow applicable privacy rules
- Documenting procedures employees may need to do differently to ensure their safety, such as:
 - Additional cleaning routines
 - Face masks/coverings required or recommended?
 - Will the company provide them or must employees bring their own?
 - Will protective items and hand sanitizer be provided?
 - Will you be taking employees' temperatures/testing each day when they arrive?

NATIONAL

President Signs PPP Loan Flexibility Legislation

President Trump signed a bill into law last Friday (June 5) to provide greater spending options to those who receive government Paycheck Protection Program (PPP) loans. The President said that the law would "especially help restaurants, hotels and other businesses that have been very hard hit by the virus. The bill reduces the proportion of assistance that recipients have to spend on payroll from 75 percent to 60 percent, and it provides a lengthier amount of time for recipients to pay back the loans. It also lets companies utilize the funds for six months rather than two months, allows firms getting debt forgiveness to defer payroll taxes, and lengthens a June 30 deadline for businesses to rehire staffers. Initially, Congress dedicated \$350 billion to the small business loan effort. But legislations added a further \$310 billion into the PPP after the government provided the funds amid a disarrayed launch.

PPP Loans No Longer to Prevent Deferral of Payroll Taxes

The recently enacted CARES Act allowed employers to defer the payment of certain employment taxes due for 2020. The CARES Act, however, also included an exception for recipients of a paycheck protection program loan (established by the Act) that had such loan forgiven. The [Paycheck Protection Program Flexibility Act of 2020](#) and signed by the President into law amends the CARES Act to eliminate such exception, effective as if included in the CARES Act to begin with. Consequently, the ability of employers to defer certain 2020 employment taxes pursuant to the CARES Act is not hindered by either the receipt of a paycheck protection program loan or its forgiveness.

Opportunity Zone Investment Programs

The IRS made substantial accommodations to [Qualified Opportunity Funds](#), and their sponsors and investors, to allow them to address the challenges presented by COVID-19.

- The Notice reaffirms previous guidance and further extends the 180-day investment deadline for qualified gains. Now, for any gains that needed to be invested on or between April 1, 2020 and December 31, 2020 to meet the 180-day deadline, that deadline is automatically extended to December 31, 2020
- The Notice provides for the automatic application of the statutory "reasonable cause" exception to a Qualified Opportunity Fund's satisfaction of the 90% "good asset" test for all testing dates falling on and between April 1, 2020 and December 31, 2020.
- The Notice provides that, in determining satisfaction of the 30-month substantial improvement requirement, the period from April 1, 2020 through December 31, 2020 is ignored. In effect, this creates an extension of up to 9 months for substantial improvement projects currently in process and correspondingly shorter extensions for projects initiated between now and the end of 2020.
- The Notice confirms the rule set forth in the final Opportunity Zone regulations that the Working Capital Safe Harbor can be extended up to 24 months in the event of a federally declared disaster, affirming that the COVID-19 pandemic is such a disaster.

- And finally, the Notice provides that, with respect to the 12-month reinvestment period for cash returned to a QOF from a disposed QOZ investment, if this reinvestment period intersects January 20, 2020, it is extended for up to an additional 12 months so long as the other requirements applicable to QOF reinvestments are observed.

What [Notice 2020-39](#) does not deal with, however, is whether the "written plan" used by a Qualified Opportunity Zone business to comply with the Working Capital Safe Harbor is still required to be effectuated in a manner "substantially consistent" with the original written plan as required under the Opportunity Zone regulations, or whether a greater degree of deviation from the original written plan is allowable in light of the market upheaval that has arisen from COVID-19. This is especially relevant for QOZ projects that had meaningful hospitality elements (hotels, restaurants, entertainment facilities) for which transaction execution is in material peril due to the impact of the COVID-19 pandemic on those business sectors.

Covered Countermeasures

The Secretary for the U.S. Department of Health and Human Services (HHS) issued a [Notice of Amendment](#) to his March 10, 2020 Declaration that had applied the federal immunities of the Public Readiness and Emergency Preparedness Act to the fight against COVID-19. The Amendment clarifies that "Covered Countermeasures" under the Declaration include "qualified pandemic and epidemic products that limit the harm COVID-19 might otherwise cause," thereby adding a key phrase that was inadvertently omitted from the statutory definition of "Covered Countermeasure" in the Declaration.

WHAT WE'RE READING

Face masks should have 3 layers

In updated research-backed guidelines to be released today, the World Health Organization says fabric masks can help prevent the spread of the novel coronavirus in settings where physical distancing is difficult. The guidelines specify that the masks should have three particular layers, and should be worn and cleaned properly. The guidelines also recommend healthcare workers in areas of wide transmission to wear medical masks in clinical settings, even if they're not working directly with COVID-19 patients. What's not new is the WHO's continued emphasis that masks alone cannot defeat the coronavirus pandemic. To read the full story, click [here](#).

Trump Administration Will Allow Limited Flights By Chinese Airlines To U.S., Not A Ban

The Trump administration said Friday it will let Chinese airlines operate a limited number of flights to the U.S., backing down from a threat to ban the flights. The decision comes one day after China agreed to ease its own anti-coronavirus restrictions and allow more flights by foreign airlines. The restrictions had blocked U.S. carriers United and Delta from resuming flights between the U.S. and China. The Transportation Department said it will let Chinese passenger airlines fly a total of two round-trip flights per week between the U.S. and China, which it said would equal the number of flights China's aviation authority will allow for U.S. carriers. To read the full story, click [here](#).

CDC Director Says Protesters Should 'Highly Consider' Getting Tested For Coronavirus

Centers for Disease Control and Prevention Director Robert Redfield warned Thursday that recent protests in the wake of George Floyd's death could be a "seeding event" for coronavirus infections and urged participants to get tested. Testifying before a House Appropriations Committee on the federal government's response to the coronavirus pandemic, Redfield said individuals protesting in areas that have not yet controlled the outbreak should "highly consider" getting tested. To read the full story, click [here](#).

COVID Claims: Over 5,000 Californians File For Workers' Comp

Californians stricken with COVID-19 took the first step in filing more than 5,000 workers' compensation claims from January through May, according to state data released to CalMatters. More than 1,000 of those claims were denied, most of them before Gov. Gavin Newsom signed a May 6 executive order extending protections for essential workers infected on the job on or after March 19, the day California's lockdown order went into effect. To read the full story, click [here](#).

Predicting The COVID-19 Medi-Cal Enrollment Surge

As the legislature and the governor grapple with the projected budget shortfall, it is clear that California lawmakers are expecting Medi-Cal enrollment to increase substantially as a result of COVID-19. While it is difficult to predict the size of the enrollment surge or its budget implications, a look at pre-pandemic coverage patterns offers some insights. First, the predictions on enrollment size and costs. The governor's May budget revision projects that the state Medi-Cal caseload will peak at 14.5 million in July. If enrollment does rise to this level, it would mean 2 million more people in the program since January, when Medi-Cal enrollment stood at about 12.3 million. To read the full story, click [here](#).

The Federal Government Undercounted The Number Of Virus Deaths In U.S. Nursing Homes

In data published for the first time Thursday, the federal government counted 32,465 deaths of residents and workers in nursing homes, but the tally is missing thousands of deaths that occurred in facilities for the elderly and excludes some of the most notorious episodes. To read the full story, click [here](#).

California Legislature, Governor At Odds Over Budget Deficit

Gov. Gavin Newsom's task of closing California's estimated \$54.3 billion budget deficit will come down to a battle with the Democratic-dominated Legislature over how much pain the state can endure now versus putting it off to next year and beyond. Both of the budget proposals from Newsom, a Democrat, and the state Legislature save money by putting off paying billions of dollars of the state's commitments, a common tactic used by states across the country when times are tough. To read the full story, click [here](#).

California Attorney General Becerra Publishes Final Text of Proposed CCPA Regulations

Tuesday, California Attorney General Xavier Becerra announced his submission of the Final Regulations under the California Consumer Privacy Act (CCPA) to the California Office of Administrative Law (OAL). Under the California Administrative Procedure Act (APA), the OAL

has 30 business days plus 60 calendar days (due to a COVID-related executive order) to determine whether the regulations meet the requirements of the APA. This final submission comes after various public forums, hearings, commentary, and revisions to the regulations. To read the full story, click [here](#).

Your Audit Risk On PPP Loans Explained, Plus The Latest On Forgiveness

There has been a lot of recent news re. PPP audit risk and forgiveness rules. To catch up on these and other SMB lending issues, earlier today (June 4) I picked the brain of Gerri Detweiler, the education director at Nav, a fintech marketplace that connects small businesses with lenders and business credit cards. Detweiler has more than three decades of experience in consumer credit education. Please note that I myself am not a financial professional and am neither licensed nor equipped in this area; the information and opinions below are those of Ms. Detweiler. To read the full story, click [here](#).

The First Cruise Line Safety Plan Is Out: Acid Fogs And No Buffets

In April, the Centers for Disease Control extended a ban on large cruise ships calling on U.S. ports that is slated to expire in July. When the agency did that, it sent a strong message to cruise line operators: Get your safety protocols together or we may extend the ban again. In the intervening two months, Norwegian Cruise Line has flirted with bankruptcy and faced investigation for deceptive sales practices. NCL Holdings reported a loss of more than \$1.6 billion, and the company's V.P. of sales jumped ship. To read the full story, click [here](#).

Despite Global Reopening Push, Some Jobs Are Gone For Good

Factories and stores are reopening, economies are reawakening – but many jobs just aren't coming back. That's the harsh truth facing workers laid off around the world, from restaurants in Thailand to car factories in France, whose livelihoods fell victim to a virus-driven recession that's accelerating decline in struggling industries and upheaval across the global workforce. To read the full story, click [here](#).

Vegas, Baby! Casinos Reopen After Long Coronavirus Closure

Mask use was spotty among customers as casinos in Las Vegas and throughout Nevada reopened Thursday for the first time since March following a closure to prevent the spread of the coronavirus. "Wash your hands while saying, 'Vegas Baby!' 20 times," a video marquee cheered on the neon-lit Las Vegas Strip. Hotel-casinos in downtown and suburban Las Vegas were first to open right after midnight. Several dozen people waited at the high-rise D Hotel and Casino on Fremont Street to have their temperatures checked at the door. The casino quickly filled with revelers and gamblers while a bartender danced, wearing lingerie and a surgical mask. To read the full story, click [here](#).

Simon Property Group Sues Gap For Not Paying The Rent

Gap is being sued for refusing to pay rent for stores temporarily closed during the coronavirus pandemic. Mall owner Simon Property Group said in a lawsuit filed this week that the clothing retailer owes three months of rent, totaling \$65.9 million. Gap has more than 390 stores at

Indianapolis-based Simon's malls, including its namesake brand, Old Navy and Banana Republic. To read the full story, click [here](#).

San Diego Airport Expects 21 Percent Drop In Revenue As Far Fewer People Fly In Coming Year

Faced with a dramatic drop in passenger volumes, the San Diego Regional Airport Authority adopted a budget Thursday that assumes a more than \$100 million decline in revenue over the coming fiscal year. In addition to trimming expenses by \$29 million, the airport also is relying on more than \$54 million in federal funding to help produce a \$288.4 million spending plan for the 2020. To read the full story, click [here](#).

What Flying Will Look Like After The Coronavirus Crisis

The friendly skies may not appear quite so welcoming in the future. In an effort to get their planes back in the air in the wake of the Covid-19 pandemic – and to reassure passengers that it is safe to fly again – airlines are having to rethink how they provide their inflight service. Some of the airlines in the Middle East – often seen as world leaders in terms of their quality of service – have been unveiling details of their plans over the past few weeks. The changes they are making are the sort of things passengers around the world can expect to face the next time they take a flight. To read the full story, click [here](#).

On the Minds of Black Lives Matter Protesters: A Racist Health System

Black lives are being lost to COVID-19 at twice the rate of others. For protesters we talked to, that's one more reason to be on the street. "If it's not police beating us up, it's us dying in a hospital from the pandemic," one said. To read the full story, click [here](#).

Could COVID-19 Be Prevented Before It Starts? Some Researchers Are Looking For A Way

Finding a way to protect against COVID-19 would transform the fight against the [coronavirus](#) that has spread across the world since late last year. Pharmaceutical companies and doctors have been hunting for drugs to treat COVID-19, and have launched a major effort to develop a vaccine against it, but haven't focused as much on therapies for preventing infection before or after someone is exposed to the virus that causes the disease. To read the full story, click [here](#).

A Rift Over Closing The Budget Deficit

As the COVID-19 pandemic alters life in California in ways never before seen, one impact is on the annual ritual of fashioning a state budget. With just a few days remaining until the June 15 constitutional deadline for enacting a 2020-21 budget, Gov. Gavin Newsom and his fellow Democrats in the Legislature are engaged in a fairly cordial debate over closing a deficit that Newsom pegs at \$54 billion. To read the full story, click [here](#).

Coronavirus Did Not Spread First From A Nail Salon. Now When Can Shops Reopen?

The coronavirus did not originate in California from a nail salon as Gov. Gavin Newsom said last month, according to activists who met privately with the governor's staff earlier this week. Angry after 80 days of a state lockdown on their businesses, nail salon owners and their supporters are aggressively pushing for the right to reopen. If restaurants are already serving

diners, and if businesses such as gyms and bars are set to resume operating in a matter of days, some are asking "why not us?" To read the full story, click [here](#).

Note: While EKA monitors governmental announcements, guidelines and recommendations, our updates are prepared for informational purposes and are compiled from publicly available sources. Our updates should not be considered health, medical, legal, or tax advice. Always consult a qualified professional regarding any specific questions you may have. All hyperlinks are live and will bring you to the information mentioned. If you are not interested in receiving future emails from us, then please reply with a "Remove" in the subject line and mention the email addresses to be removed.