



## Public Policy Update

### Our COVID-19 Policy & Legislative Priorities

In order to allow the Hollywood Chamber of Commerce to influence and propose COVID-19 legislation as this health and economic crisis evolves, the Legislative Action Co-Chairs and staff will follow policy guidelines and priorities. Our primary goal during this crisis will be relief and recovery for the Hollywood Business Community. Therefore, the policies and legislation that the Chamber will advocate for include the following:

1. Immediate cash assistance from all levels of government to businesses impacted and or interrupted by the residual effects of the COVID-19 pandemic.
    - a. Establish a grant program for small to mid-size business to offset the financial burdens from the residual effects of the COVID-19 pandemic. The timeframe for relief should be provided within 2 weeks.
    - b. Provide low to no interest loans with relaxed requirements to fill the financial gap businesses may be experiencing.
    - c. Enact tax incentives to encourage travel, restart film and television productions, and assist the travel and restaurant industries.
    - d. E.g. Expanding Business Interruption Insurance to include residual effects of the COVID-19 pandemic.
    - e. E.g. Include displaced entertainment workers in Federal relief package.
  2. No additional financial obligations on businesses impacted and or interrupted by the residual effects of the COVID-19 pandemic.
    - a. Ensure the government provides funding for direct reimbursement for imposed Paid Sick/Family Leave requirements.
    - b. Return the rules for the use of Independent Contractors to before the California Supreme Court Dynamex decision.
    - c. Pay Roll Tax Relief at the State and Federal level.
    - d. Ensure that restaurants with delivery capabilities are considered essential services in the event of a shelter-in-place order.
    - e. E.g. Governor Newsom waiving all requirements under the California WARN Act during this ongoing state of emergency in regard to the pandemic. This waives strict requirements to give employees 60 days advance notice of a mass layoff or pay each employee the equivalent of the difference between the required 60 days advance notice and the actual time of the layoff!
  3. An adequate level of funding for public health, healthcare officials, and first responders to contain the COVID-19 pandemic and ensure appropriate treatment and testing.
    - a. Provide protective clothing and instruments for healthcare professionals and first responders.
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# HOLLYWOOD

CHAMBER OF COMMERCE

## Public Policy Update

### City & County Update: Safer at Home Order

#### OVERVIEW

To further combat the spread of COVID-19, Chairwoman Barger and Mayor Eric Garcetti has issued a “Safer at Home” emergency order — ordering all residents of the City of Los Angeles to stay inside their residences, and immediately limit all movement outside of their homes beyond what is absolutely necessary to take care of essential needs.

**Residents of the City of Los Angeles are required to stay inside their homes unless they are engaged in certain “essential activities.” On those occasions when you are out of your home for necessary tasks, stay at least six feet away from others.**

**This is a legally enforceable order. It is against the law to violate this Order, and you may be punished by a fine or imprisonment for doing so.**

#### YOU ARE ALLOWED TO:

- Go to the grocery store
- Go to the pharmacy to pick up medications and other healthcare necessities
- Go to medical appointments (check with your doctor or provider first)
- Go to a restaurant for take-out, delivery or drive-thru
- Care or support a friend or family member
- Take a walk, ride your bike, hike, jog and be in nature for exercise — just keep at least six feet between you and others in the community.
- Walk your pets and take them to the veterinarian if necessary
- Help someone to get necessary supplies

#### YOU SHOULD NOT:

- Go to work unless you are providing essential services as defined by this Order
- Visit friends and family if there is no urgent need
- Maintain less than 6 feet of distance from others when you go out, as possible
- Travel to or from a job outside the City, unless to perform essential activities
- Travel to or from a vacation home outside the City
- Visit loved ones in the hospital, nursing home, skilled nursing facility, or other residential care facility

#### DURATION:

The Order goes into effect immediately after midnight, starting at 11:59 p.m., Thursday, March 19, 2020. This Order shall be exempt, for a 24-hour period following the effective date above, to allow employees and business owners to access to their workplaces to gather belongings, so long as social distancing requirements are followed. Such workplaces shall remain closed to the public in accordance with this Order.

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## Public Policy Update

### City & County Update: Safer at Home Order (Cont.)

#### **BUSINESSES & ORGANIZATIONS EXEMPTED:**

- City/County government services:
    - Police stations
    - Fire stations
    - Jails
    - Courts
    - Garbage/sanitation
    - Public Transportation
    - Water, power, and gas utilities
    - Public works construction, including construction of housing
    - Airport and Port operations
  - Gas service stations, auto supply, auto repair, bicycle repair shops and related facilities.
  - Health care providers, including:
    - Hospitals
    - Clinics
    - Dentists
    - Pharmacies
    - Pharmaceutical and biotechnology companies
    - Medical and scientific research
    - Laboratories
    - Healthcare suppliers
    - Home healthcare services providers
    - Veterinary care providers
    - Mental health providers
    - Physical therapists and chiropractors
    - Cannabis dispensaries, or any related and/or ancillary healthcare services
    - Manufacturers and suppliers
    - *Healthcare operations does not include fitness and exercise gyms and similar facilities*
  - Food providers, including:
    - Grocery stores
    - Water retailers
    - Certified farmers' markets
    - Farm and produce stands
    - Supermarkets
    - Convenience stores
    - Warehouse stores
    - Food banks
    - Convenience stores
    - Take-out from restaurants, drive-thru restaurants, and delivery from restaurants
    - Food cultivation, including farming, livestock, and fishing
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## Public Policy Update

### City & County Update: Safer at Home Order (Cont.)

#### **BUSINESSES & ORGANIZATIONS EXEMPTED:**

- Hardware stores and nurseries
- Plumbers, electricians, exterminators, custodial/janitorial workers, handyman services, funeral home workers and morticians, moving services, HVAC installers, carpenters, landscapers, gardeners, property managers, private security personnel and other service providers who provide services to maintain the safety, sanitation, and essential operation to properties and other essential activities
- Banks, credit unions, financial institutions and insurance companies.
- Organizations and businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals, (including gang prevention and intervention and domestic violence agencies).
- Laundromats/laundry service
- Newspapers, magazines, television, radio, podcasts and other media services
- Educational institutions, including public and private K-12 schools, colleges, and universities -- for purposes of facilitating distance learning or performing essential functions provided that social distancing of six-feet per person is maintained to the greatest extent possible
- Businesses that supply products needed for people to work from home.
- Utility companies and other businesses that supply other essential businesses with the support, services, or supplies necessary to operate, provided that strict social distancing is maintained.
- Individuals or businesses that ship or deliver groceries, food, beverages or goods directly to residences or businesses, including rail and trucking.
- Airlines, taxis, ride sharing services, and other private transportation services providing transportation services necessary for essential activities and other purposes expressly authorized in this Order.
- Home-based care for disabled persons, seniors, adults, or children.
- Residential facilities and shelters for disabled persons, seniors, adults, and children.
- Professional services, such as legal, payroll or accounting services, when necessary to assist in compliance with legally mandated activities.
- Hotels, motels, shared rental units and similar facilities.
- Military/Defense Contractors/FFRDC (Federally Funded Research and Development Centers)
- Childcare facilities providing services that enable employees exempted in this Order to work as permitted, under restrictions contained in the Order.

**FOR MORE INFORMATION:** <https://corona-virus.la/faq>

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## Public Policy Update

### City Update:

## \$11 Million Economic Relief Package For Small Businesses

#### OVERVIEW

The Mayor and City Council established a Small Business Emergency Microloan Program now provides financing needed to strengthen small business enterprises in this time of acute need that have been affected by the COVID-19 outbreak. Businesses that meet the criteria below may apply online for a City of LA Small Business Emergency Microloan.

#### GENERAL ELIGIBILITY

- **Credit:** Principal business owner(s) must have reasonable and responsible personal credit history and an acceptable explanation for any derogatory marks. Bankruptcies and debt write-offs must be at least 12 months old
- **Cash Flow:** Businesses must show that historical profits were sufficient to service the requested debt and have been impacted by the COVID-19 outbreak
- **Location:** Primary business operation must be located within City of Los Angeles boundaries (please use this City of LA online zoning tool to determine business location)
- **Microloan Use of Funds:** Must be for reasonable and eligible working capital expenses
- **Microloan Requirement:** Job retention
- **Collateral:** Evaluated on a case-by-case basis
- **Required Guarantors:** All business owners who hold 20% or more ownership must guarantee the loan
- **Co-Signer:** A co-signer with reasonable credit and sufficient income to re-pay the loan can be included as a guarantor to mitigate weaknesses in the loan request
- **Application Fees:** No Application Fees

#### Microloan Terms

- **Loan Limits:** \$5,000 to \$20,000
  - **Interest Rate:**
    - Option 1: 0% for a term of 6 months to 1 year
    - Option 2: 3% to 5% for a term of up to 5 years
  - **Term:** 6 months to 5 years
  - **Loan Fee:** No Fee
  - **Admin Fee (credit report):** No Fee
  - **Eligible Uses:** Working capital only
  - **Eligible Borrowers**
    - Option 1: microenterprises in the City of LA that are low-income or will retain low-income jobs
    - Option 2: small businesses in the City of LA that will retain low-income jobs
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# HOLLYWOOD

CHAMBER OF COMMERCE

## Public Policy Update

### County Update:

### [Layoff Aversion Program for County of Los Angeles](#)

#### OVERVIEW

The LA County Workforce Investment Board (WIB) and the Los Angeles County Economic Development Corporation (LAEDC) are partnering to keep businesses strong, and give business owners alternatives to letting workers go. This Layoff Aversion Program (Layoff Alternatives) is provided at no cost.

#### SERVICES OFFERED

- Resources for hiring and training employees, including giving existing workers new skills to help you compete.
  - Identify incentives and resources that can save you money.
  - Assistance with access to financing.
  - Resources for permitting, utility problems, tax problems, staff training, cost containment, transition of ownership, real estate issues, and more.
  - LAEDC's team can cut through the red tape with government departments and utilities.
  - Best of all, LAEDC services are available at no cost!
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## Public Policy Update

### State Update:

#### AB 89/SB 89/SB 117: Budget Act of 2019

#### California Emergency Funding Package to Combat COVID-19

##### SUMMARY

This bill, signed into law by Governor Gavin Newsom, amends the Budget Act of 2019 by appropriating \$500,000,000 from the General Fund to be used for any purpose related to the Governor's March 4, 2020 proclamation of a state of emergency. Authorizes additional appropriations in increments of \$50,000,000, up to a total appropriation of \$1,000,000,000.

##### BACKGROUND

The emergency legislative package provides \$500 million General Fund to help California fight COVID-19 and authorizes increases up to \$1 billion. The funding will:

- Increase hospital bed capacity and purchase medical equipment to combat the coming surge in COVID-19 patients;
- Protect hospitals, nursing homes, and other facilities most vulnerable to COVID-19 spread;
- Provide lifesaving services to Californians isolating at home;
- Support local government to reduce the spread of COVID-19 in homeless populations and provide safe beds for people experiencing homelessness; and
- Provide funding to clean child care facilities that remain open.

The package also provides \$100 million Proposition 98 General Fund for personal protective equipment and cleaning for schools that remain open. It also allows schools to maintain funding despite service disruptions.

##### ACTION ALERT

The California Legislature has authorized the Governor to allocate up to \$1 billion to address the crisis surrounding the COVID-19 pandemic. The Governor's office is moving swiftly to allocate these funds in accordance with the pathways outlined above. The pandemic has created a health and economic crisis in Hollywood and we are asking the Governor to ensure that Hollywood receive its fair share of this emergency funding.

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## Public Policy Update

### Federal Update:

### H.R.6201: Families First Coronavirus Response Act

#### SUMMARY

*This relief package appropriates funding to essential nutritional programs, COVID-19 related health care, and employee benefits. Specifically, the bill provides employees of employers with fewer than 500 employees with the right to take up to 12 weeks of job-protected leave under the Family and Medical Leave Act ("FMLA"). Additionally, employers with fewer than 500 employees will be required to provide full-time employees with 2 weeks (80 hours) of paid sick leave if they meet certain health criteria. Finally, provides for a series of refundable tax credits for employers providing paid emergency sick leave or paid FMLA.*

#### BACKGROUND

Just after midnight on March 14, 2020, the U.S. House of Representatives passed H.R. 6201, the "Families First Coronavirus Response Act," as a broad response to many of the challenges caused by the current and impending spread of the novel coronavirus known as COVID-19 ("coronavirus").

#### IMPACT

**PAID FAMILY LEAVE:** H.R. 6201 requires that ten of the twelve weeks of leave be paid at a rate of no less than two-thirds of the employee's usual rate of pay. (FMLA leave for all other purposes remains unpaid.)

To be eligible for paid leave, employees must have been on the employer's payroll for 30 days and may use emergency FMLA leave for the following reasons:

- To adhere to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus;
- To care for a family member who is adhering to a requirement or recommendation to quarantine due to exposure to or symptoms of coronavirus; and
- To care for a child of an employee if the child's school or place of care has been closed, or the childcare provider is unavailable, due to the coronavirus.

The bill grants the Secretary of Labor the authority to issue regulations exempting: (1) certain health care providers and emergency responders from taking leave under the bill; and (2) small business with fewer than 50 employees from the requirements of the bill if it would jeopardize the viability of the business.

**PAID SICK LEAVE:** employers with fewer than 500 employees will be required to provide full-time employees with 2 weeks (80 hours) of paid sick leave for the following reasons:

- To self-isolate because of a diagnosis of COVID-19, or to comply with a recommendation or order to quarantine due to exposure or exhibition of symptoms;
  - To obtain a medical diagnosis or care if the employee is experiencing symptoms of the coronavirus;
  - To care for a family member who is self-isolating due to a diagnosis of coronavirus, experiencing symptoms of coronavirus and needs to obtain medical diagnosis or care, or quarantining due to exposure or exhibition of symptoms; or
  - To care for a child whose school has closed, or childcare provider is unavailable, due to the coronavirus.
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## Public Policy Update

# H.R.6201: Families First Coronavirus Response Act

### IMPACT (Cont.)

**EMPLOYER TAX CREDIT:** Provides for a series of refundable tax credits for employers providing paid emergency sick leave or paid FMLA. The credits are as follows:

- A refundable tax credit for employers equal to 100 percent of qualified family leave wages required to be paid by the Emergency Family and Medical Leave Expansion Act that are paid by an employer for each calendar quarter. The tax credit is allowed against the tax imposed by section 3111(a) (the employer portion of Social Security taxes). The amount of qualified family leave wages taken into account for each employee is capped at \$200 per day and \$10,000 for all calendar quarters. If the credit exceeds the employer's total liability under section 3111(a) for all employees for any calendar quarter, the excess credit is refundable to the employer.
- A refundable tax credit for employers equal to 100 percent of qualified paid sick leave wages required to be paid by the Emergency Paid Sick Leave Act that are paid by an employer for each calendar quarter. The tax credit is allowed against the tax imposed by section 3111(a) of the Internal Revenue Code (the employer portion of Social Security taxes).

Finally, the bill would provide \$1 billion in grants to states for emergency unemployment insurance, half of which would be transferred to the states within 60 days after the enactment of the bill (so long as the state complies with certain requirements, such as requiring employers to notify employees of the availability of unemployment compensation and permitting individuals to apply for unemployment compensation in at least two of the following ways—in-person, by phone, or online). The remainder of the grant would be reserved for states in which the number of unemployment compensation claims has increased by at least 10% over the same quarter in the prior calendar year. To receive access to the second portion of the grant, states must, among other things, make it easier for individuals to obtain unemployment compensation by waiving work search requirements and waiting periods.

**SUPPORT:** U.S. Chamber of Commerce

**OPPOSITION:** None on File.

**STATUS:** Passed the House of Representatives and U.S. Senate as of 3/18/20. Awaiting the President's signature.

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## Public Policy Update

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