



April 3, 2020 as of 7:00am

An Update from MCAC on COVID-19

Weekly Headlines: Bay Area Construction Restrictions, LA Safety Guidelines, Small Business Financial Relief

Ok folks, there is A LOT happening in this update. Contact me if I may be of help sorting any of it out. Keep your attorneys and accountants on speed dial.

Deep breath...and go.

I. Seven Bay Area counties issued stricter Stay-at-Home Orders and construction limitations effective March 31 at 11:59pm through May 3, 2020 11:59pm.

- Most commercial and residential construction is prohibited
- On the approved project List for SF (partial list--see county Order for complete list): **Airports, utilities, solid waste facilities, telecommunications systems** (including the provision of essential infrastructure for internet, computing services, business infrastructure, communications, and web-based services), **projects associated with Healthcare** *provided that such construction is directly related to the COVID-19 response*, and **public works projects** *if specifically designated as an Essential Governmental Function by the City Administrator*. Note the two VERY significant caveats to healthcare and public works projects.
- Each jurisdiction has its own Orders, so please check applicable county Orders when working in those areas. There are subtle differences between the Orders.
- Link to county Orders: [Alameda](#), [Contra Costa](#), [Marin](#), [Santa Clara](#), [San Francisco](#), [San Mateo](#), and [Santa Cruz](#)
- Link to AGC [California County Guideline Outreach](#). AGC of California is working with owners and public agencies statewide to clarify what construction remains essential. I have found it to be regularly updated.

Things to Consider: Before making any employment decisions, employers should carefully consider federal and state programs designed to help retain employees and meet payroll, rent, mortgages, and other business expenses. See "Show Me The Money!" section below.

II. Los Angeles City issued [COVID-19 Safety Guidance for Construction Sites](#) on March 31.

- Compliance will be verified during regular scheduled inspections and complaint investigations.
- Thirteen listed protocols include maintaining a minimum 6-foot separation between people, staggering trades, and a site specific COVID-19 Supervisor to enforce the guidelines.
- If you don't yet have a COVID Exposure Plan, you can access the MCAA Exposure Prevention,

Preparedness and Response template [here](#) and customize it for your company.

- Also, the AGC of California has a [Jobsite Safety Plan template](#) that may be customized for your operations.

III. Show Me The Money! -- The Options Available to Small Businesses for Financial Relief

CARES Act (Coronavirus Aid Relief and Economic Stability Act) - A federal stimulus package worth an estimated \$2 trillion, which specifically allots \$350 billion for Paycheck Protection Loans and \$10 billion for Economic Injury Disaster Loans (EIDL's) to help small businesses (under 500 employees).



TIP: Use the [Small Business Owners Guide to the CARES Act](#) by the U.S. Chamber of Commerce to help determine which relief options are right for your business.

>>>Download the Guide to your computer to activate links in the document.<<<

There are two key small business relief programs:

1. SBA Paycheck Protection Program (PPP) is making small business loans up to \$10 million with generous forgiveness terms available to eligible employers through [SBA-approved lenders](#).

- Offers cash flow assistance to employers who maintain their payroll during the COVID emergency.
- Loan proceeds may be used towards specified costs including *payroll (salaries, hourly pay and commissions), group health care benefit costs and insurance premiums, group retirement benefits, expenses related to medical or family leave, mortgage interest, rent, utilities, and interest incurred on debt incurred before February 15, 2020. *(PPP excludes individual employee compensation in excess of \$100,000).
- 100% forgiven for amounts used towards *specified* costs for the eight-week period after loan origination date *provided businesses maintain or restore their payroll*.
- Applications for Small Businesses being accepted as of April 3, 2020. [Application here](#).
- Applications for Self-employed individuals (including independent contractors) begin April 10, 2020.
- Deadline to apply is June 30, 2020.
- Great article break-down of the program <https://www.natlawreview.com/article/cares-act-and-sba-paycheck-protection-program>

2. SBA Economic Injury Disaster Loan Program (EIDL) and Emergency Economic Injury Grant provides small businesses with working capital loans of up to \$2 million to help overcome the temporary loss of revenue and offer an emergency advance of up to \$10,000 within three days of applying for a SBA Economic Injury Disaster Loan (EIDL).

- [Apply here](#)
- [Guide to EIDL](#) by U.S. Chamber of Commerce

How Can I Access Emergency Economic Injury \$10,000 Grant???

- May be used to keep employees on payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments.
- Eligible applicants for an EIDL can receive a \$10,000 emergency grant within three days of application (through Dec. 31).
- There is no obligation to repay the grant.
- To receive the \$10,000 emergency grant, it is not necessary to have an approved EIDL loan BUT you must first *apply* for an EIDL and then request the grant.
- However, if you are able to secure a PPP loan, the \$10,000 grant will be subtracted from the forgiveness amount.

NOTE: The Paycheck Protection Program (PPP) created by the CARES Act prohibits borrowers from

taking out two loans for the same purpose. You may apply for a PPP and EIDL/Emergency Grant BUT you cannot use the funds for the same thing. For example, if you use your EIDL to cover payroll for certain workers in April, you cannot use PPP for payroll for those same workers in April, although you could use it for payroll in March or for different workers in April.

IV. CA State tax filing deadline is now July 15.

- This follows suite with the [federal tax filing extension](#).
- <https://www.ftb.ca.gov/about-ftb/newsroom/covid-19/extensions-to-file-pay.html>

V. Don't forget your state and national association resources.

- [MCAC Home Page - COVID-19 Resources](#)
 - BOOKMARK THIS LINK! [California Coronavirus \(COVID-19\) Response](#) - You can get (just about) anywhere COVID from here -- including links to federal financial relief referenced above and more. <https://covid19.ca.gov/>
- [MCAA COVID-19 Resource List](#)

The MCAC is here to be a resource, fact-finder, referral center and to lend a hand any way we are able. We hope you and your loved ones are well. Take care!

Sincerely,

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