



ECONOMIC DEVELOPMENT DIVISION COVID-19 RESOURCE GUIDE



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As the City of Los Angeles prepares for the challenges related to the COVID-19 epidemic, steps to protect the business community and mitigate the damage to the economy is paramount. As such, the following resource guide is being made available. The guide will be updated as additional assistance is made available to businesses.

ASSISTANCE TO EMPLOYEES

California will continue acting swiftly to help workers hurt by COVID-19. Affected workers can visit the Labor & Workforce Development Agency's (Ca.Gov/Coronavirus2019) website to review benefits available to them. For instance:

- **Disability Insurance-** Individuals who are unable to work due to having or being exposed to COVID-19 (certified by a medical professional) can [file a Disability Insurance \(DI\) claim](#). Benefit amounts are approximately 60-70 percent of wages (depending on income) and range from \$50 - \$1,300 a week.
- **Reduced Work Hours or Loss of Job-** Individuals who have a reduction of hours or have lost their jobs due to COVID-19, may be able to partially recover their wages by filing an unemployment insurance claim. Employees can [file an Unemployment Insurance \(UI\) claim](#). UI provides partial wage replacement benefit payments to workers who lose their job or have their hours reduced, through no fault of their own. Workers who are temporarily unemployed due to COVID-19 and expected to return to work with their employer within a few weeks are not required to actively seek work each week. However, they must remain able and available and ready to work during their unemployment for each week of benefits claimed and meet all other eligibility criteria. Eligible individuals can receive benefits that range from \$40-\$450 per week. The Governor's Executive Order waives the one-week unpaid waiting period, so you can collect DI benefits for the first week you are out of work.
- **Paid Family Leave (PFL)-** Individuals who are unable to work because they are caring for an ill or quarantined family member with COVID-19 (certified by a medical professional) can [file a Paid Family Leave \(PFL\) claim](#) or may use accrued paid sick leave in accordance with the law. Paid Family Leave provides up to six weeks of benefit payments to eligible workers who have a full or partial loss of wages because they need time off work to care for a seriously ill family member or to bond with a new child. Benefit amounts are approximately 60-70 percent of wages (depending on income) and range from \$50-\$1,300 a week.

- **School Closures-** Individual whose child's school is closed, and has to miss work to be there for them, may be eligible for Unemployment Insurance benefits. Considerations for eligibility include whether no other care options are available and applicant's ability to continue working during normal hours remotely. [File an Unemployment Insurance claim](#) and the EDD representatives will decide if you are eligible.

Employees should discuss their options with their employers. There may be paid sick leave or [other paid leave](#) that is available to employees. Employees at worksites with 25 or more employees may also be provided up to 40 hours of leave per year for specific school-related emergencies, such as the closure of a child's school or day care by civil authorities (see [Labor Code section 230.8](#)). Whether that leave is paid or unpaid depends on the employer's paid leave, vacation or other paid time off policies. Employers may require employees use their vacation or paid time off benefits before they are allowed to take unpaid leave, but cannot mandate that employees use paid sick leave. However, a parent may choose to use any available paid sick leave to be with their child as preventative care.

ASSISTANCE TO EMPLOYERS

- **Payroll Tax Assistance-** Employers experiencing a hardship as a result of COVID-19 may request up to a 60-day extension of time from the EDD to file their state payroll reports and/or deposit state payroll taxes without penalty or interest. A written request for extension must be received within 60 days from the original delinquent date of the payment or return. Call the EDD Taxpayer Assistance Center at (888) 745-3886.
- The **Franchise Tax Board** announced special tax relief for California taxpayers affected by the COVID-19 pandemic. Affected taxpayers are granted an extension to file 2019 California tax returns and make certain payments to June 15, 2020, for all tax filings and payments due between March 15, 2020, through June 15, 2020.
- **California Department of Tax and Fee Administration (CDTFA)**-Can provide assistance includes granting extensions for filing returns and making payments, relief from interest and penalties, and filing a claim for refund. Taxpayers may request assistance by contacting the CDTFA. Requests for relief of interest or penalties or requesting an extension for filing a return may be made through our [online services](#). Taxpayers may also request assistance in writing by sending a letter to the address below or contacting us via [email](#). We are also available to answer questions and provide assistance for taxpayers that call our Customer Service Center at 800-400-7115. This includes assistance if you are unable to make a timely tax payment.

- **Potential Closure or Layoffs-** Employers planning a closure or major layoffs as a result of the coronavirus can get help through the Rapid Response program. Rapid Response teams will meet with you to discuss your needs, help avert potential layoffs, and provide immediate on-site services to assist workers facing job losses. Rapid Response Services Fact Sheet: https://www.edd.ca.gov/pdf_pub_ctr/de8714rrb.pdf.
- **Reduced Work Hours-** Employers experiencing a slowdown in their businesses or services as a result of the COVID-19 impact on the economy may apply for the UI Work Sharing Program. The Work Sharing program allows employers to seek an alternative to layoffs — retaining their trained employees by reducing their hours and wages that can be partially offset with UI benefits. Visit: [Work Sharing Program](#).

LOAN PROGRAMS

Emergency Microloan Program- The City of Los Angeles – EWDD is offering loans citywide business affected by COVID-19. Business can apply for a loan between \$5,000 to \$20,000.

There are two options on interest rate Option 1 – 0% for a term of 6 months to 1 year or Option 2 – 3% to 5% for a term of up to 5 years. This program provides the financing needed to viable microenterprises and small businesses. The loans can be used for working capital only.

Loan Payment Relief- Businesses impacted by the coronavirus may struggle to meet their loan payments. The City’s EWDD offers payment forbearance for six months on federally insured Section 108 Business Loans for business affected by COVID-19. Any forbearance will allow for businesses to have the flexibility they need to make loan payments without incurring additional fees, or negative incidents reflected in their payment history with the City.

EDA Revolving Loan Fund: The revolving loan fund helps address areas of economic distress by providing alternative financing options to the City’s business community. These loans are offered are currently offered at low competitive rates and can be used for working capital, inventory, equipment, tenant improvement, real estate and refinancing of high interest debt.

For information on the City Loan programs, please contact Alex Lakshtanov at alex.lakshtanov@lacity.org.

Small Business Administration Disaster Loans

The Small Business Administration is offering low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the coronavirus (COVID-19). SBA’s Economic Injury Disaster Loans offer

up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay. Apply online at the SBA's secure website disasterloan.sba.gov/ela.

For additional information, contact the SBA disaster assistance customer service center at (800) 659-2955 or Email disastercustomerservice@sba.gov.

California Infrastructure and Economic Development Bank (Ibank)

Ibank, a unit within California Governor's Office of Business and Economic Development (GO-Biz), offers the following loan programs for businesses from one to 750 employees (small businesses)

- **DISASTER RELIEF LOAN GUARANTEE PROGRAM (DRLGP)-** IBank will issue loan guarantees up to 95 percent of the loan through its partner Financial Development Corporations to help small business borrowers who were impacted by disasters or public safety power shutoffs and who need term loans or lines of credit for working capital. Small businesses, including small farms, nurseries, agriculture-related enterprises and nonprofits that have suffered an economic loss Resources for Businesses and/or physical damage may apply. This disaster program will help lenders and small businesses by providing loan guarantees of up to \$1 million for small business borrowers in declared disaster areas.
- **JUMP START LOAN PROGRAM-** IBank is offering loans from \$500 to \$10,000 to low-wealth entrepreneurs in the declared disaster and emergency areas through its Jump Start Loan Program. IBank established the Jump Start Loan Program in 2016 as a small loan and financial literacy/technical assistance program designed for low-income small businesses in low-wealth communities, including businesses owned by women, minorities, veterans, people with disabilities and those previously incarcerated. Access to IBank's Disaster Relief Loan Guarantee Program and Jump Start Loan Program can be made through its partner Financial Development Corporations (FDCs).

For more information on how to apply, please visit: www.ibank.ca.gov/small-business-finance-center or visit their partner agency Pacific Coast Regional Small Business Development Corporation <https://www.pccorp.org/loans>.

California State Treasurer's Office

Designed to provide up to 100% coverage on certain loan defaults. California Capital Access Program (CalCAP)-Find more information at the [California State Treasurer's Office website](#).

The California Capital Access Program for Small Business (CalCAP SB or Program) encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. If you own a small business and need a loan for start-up, expansion or working capital, you may receive more favorable loan terms from a lender if your loan is enrolled in the CalCAP Loan Loss Reserve Program. This program helps communities by providing financing to businesses that create jobs and improve the economy. Loans are available up to \$5 million.

CalCAP is a loan loss reserve program, which may provide up to 100% coverage on losses as a result of certain loan defaults. With CalCAP portfolio support, a lender may be more comfortable underwriting small business loans.

Check to see if your commercial lender or financial institution participates in or find a participating lender. If your financial institution does not currently participate, it is easy for lenders to sign up. Please have your institution complete the Financial Institution Application and send to CalCAP to get started. To find a participating lender, visit the [California State Treasurer's Office website](#). Financial Institution Application available at the [California State Treasurer's Office website](#).

Jewish Free Loan provides no-fee and interest-free loans of up to \$10,000 to cover: Small business losses, Lost wages due to inability to work, Child care costs when schools are closed, Funds lost due to canceled travel plans and more. For more information <https://www.ifla.org/for-borrowers/the-loan-process/>.

UTILITIES

Verizon-[Verizon Updates](#)

Waive late fees that residential or small business customers incur because of their economic circumstances related to the coronavirus and;

Verizon will not terminate service to any residential or small business customers because of their inability to pay their bills due to disruptions caused by the coronavirus.

Southern California Edison-[SCE Updates](#)

Southern California Edison announced that it is suspending service disconnections for nonpayment and waiving late fees, effective immediately, for residential and business customers impacted by the COVID-19 emergency.

Southern California Gas Company-[Social Gas](#)

If you're experiencing financial hardship due to COVID-19, they are supporting small business customers by waiving late payment fees.