**Coronavirus Frequently Asked Questions:**

This information is general in nature and is, therefore, not all-inclusive and is not intended to be legal advice. This information is designed to answer general questions on how to deal with management issues related to the COVID-19 (Coronavirus) Pandemic. As always, please contact your legal advisor.

**1. Q: What MHP community facilities and services may I close during this time?**

Follow the guidance given by the Centers for Disease Control (CDC). If you are unable to maintain a community facility or service such as the recreation room, playgrounds, swimming pools, and management cannot keep them maintained to CDC guidance, then it may be allowable to temporarily close them. If you do temporarily close a facility such as a recreation room, etc., make sure to post and send notices alerting your residents that the amenity is temporarily unavailable due to the guidance issued by the CDC and / or other governmental entities. Some park attorneys advise against closing the clubhouse due to the provisions of the MRL. Management should check with their park attorney if they have questions or concerns. Most community owners are maintaining all laundry facilities and, at your option and if possible, you may consider implementing a more frequent cleaning schedule. If you must close your laundry facilities, you should be aware that under the California Governor’s Order, laundromats and laundry services are considered essential services, and those businesses remain open, which provides your residents options for doing laundry.

**2. Q: How should management handle tenants allowing visitors entering the park/mobilehome?**

Management could distribute a flyer reminding all residents of the social distancing requirements and requesting residents to limit visitors to only essential people. Other than that, unless there is a "substantial annoyance" that can be proved, there is not much management can do.

**3. Q: A resident tells management they cannot pay the April 2020 rent, how management should respond:**

On March 27, 2020, Governor Gavin Newsom issued Executive Order N-37-20 giving any resident who is served with an Unlawful Detainer Summons and Complaint (eviction complaint) for non-payment of rent after March 27, 2020 65 days to respond to the complaint, but only if:

● Prior to March 27, 2020, the resident had paid rent due to management pursuant to an agreement; and

● The resident notifies management in writing before the rent is due, or within a reasonable period of time after the rent is due, not to exceed seven (7) days, that the resident needs to delay all or some payment of rent because of resident’s inability to pay due to reasons related to the COVID-19 (Coronavirus) pandemic, including due to the following reasons:

1. The resident was unavailable to work because the resident was sick with a suspected or confirmed case of COVID-19, or
2. The resident was caring for a household or family member who was sick with a suspected or confirmed case of COVID-19, or
3. The resident experienced a lay-off, loss of hours, or other substantial income reduction resulting from COVID-19, the state of emergency, or related government response, or
4. The resident needed to miss work to care for a child whose school was closed in response to COVID-19.

The resident must retain verifiable documentation, such as termination notices, payroll checks, pay stubs, bank statements, medical bills, or signed letters or statements from an employer or supervisor explaining the resident has changed financial circumstances, to support the resident’s assertion of an inability to pay. In addition, no writ of possession may be enforced while the Order is in effect to evict a resident from a space for nonpayment of rent by any resident who satisfies the requirements stated above. These protections shall be in effect through May 31, 2020.

On March 16, 2020, California Governor Gavin Newsom issued an Executive Order allowing local jurisdictions to enact eviction protections for residents who experience substantial financial hardships as a result of a resident’s medical expenses, childcare, and loss of wages, layoffs or reduction of hours relating to COVID-19 (Coronavirus). Following the Governor’s Order, many local jurisdictions have passed eviction moratoria. The local ordinances adopted are still in effect if they are more restrictive than the Governor’s Order. Check with the city or county, including their website, which likely has a COVID-19 section with information about the eviction moratorium ordinances.

There is a list of the recently adopted rent moratorium ordinances on the WMA website, [www.wma.org](http://www.wma.org). Also, please be aware that LA City just adopted a rent freeze for 60 days. The information is posted on the website as well.

Be sure any rent reduction or agreement made with your resident is documented in writing through a lease amendment or other agreement.

Remember, the law does not eliminate your resident’s obligation to pay the unpaid rent. After the expiration of the COVID-19 emergency, your resident is obligated to repay any deferred or forgiven rent, and you as an owner may seek payment of the unpaid rent. The reality is that even if a tenant’s ability to pay rent is not directly affected by COVID-19, it will be very unlikely that and eviction will be possible until after May 31, 2020. Again, please contact your legal advisor.

**4. Q: Are the serving utilities offering any assistance on utility bills:**

Check with your serving utility. Many are suspending service disconnections for non-payment, waiving deposit requirements and offering flexible payment plans.

**5. Q: What about MHP mortgage loans? Are the banks going to waive late fees and penalties? What assistance is available to parkowners?**

California Governor Gavin Newsom announced Wednesday, March 25, that Wells Fargo, US Bank, Citi and JP Morgan Chase will waive mortgage payments for 90 days. State-chartered banks and credit unions also have agreed to the 90-day forbearance. Bank of America says it will defer payments on a monthly basis until the crisis is over. While details are not fully available, it is recommended that if you cannot make a payment you call your lender as soon as possible.

**6. Q: Who has the authority to extend the April 10 property tax filing date?**

The Governor has the authority. So far, there is no indication that he will do so.

**7. Q: Will insurance cover possible loss of revenue for owners of rental housing?** In the days following an incident or disaster, it is recommended that you contact your insurance company to evaluate coverage and adjust your coverage. Verify whether your insurance covers your business for revenue or loss of rent.

**8. Q: How should management handle personnel issues?**

WMA recommends that you contact the California Chamber of Commerce’s HR California or the California Employers Association for labor law advice and personnel questions.

<https://hrcalifornia.calchamber.com/>

<https://www.employers.org/>

California Employment Development Department <https://www.edd.ca.gov/>

California COVID-19 Response page: <https://covid19.ca.gov/>

**9. Q. What resources are available for Small Businesses? Should we apply for government aid?**

Resources are available throughout California for small businesses impacted by COVID-19:

**Small Business Technical Assistance**

California’s network of small business support centers help businesses figure out which loans are best for them, develop resiliency strategies, and find other resources. The Office of the Small Business Advocate has also provided answers to a list of frequently asked questions to help support California’s small businesses. If you need to talk to a specialist in GO-Biz’s Office of the Small Business Advocate directly. <https://business.ca.gov/advantages/small-business-innovation-and-entrepreneurship/programs-and-initiatives/small-business-and-entrepreneurship-assistance-center-funding-opportunities/>

**U.S. Small Business Administration Economic Injury Disaster Loan Program**

Paycheck Protection Program (PPP) will offer cash-flow assistance with a 100% federally guaranteed loan to employers who maintain their payroll during this emergency. These loans may be forgiven if borrowers maintain or restore payroll. SBA guidelines are if all employees are kept on payroll for eight weeks, SBA will forgive the portion of the loans used for payroll, rent, mortgage interest, or utilities. Up to 100 percent of the loan is forgivable.

**Eligibility**

Businesses – including eligible non-profits, Veterans organizations, tribal concerns, sole proprietorships, self-employed individuals, and independent contractors described in the Small Business Act – with 500 or fewer employees may apply. Businesses in certain industries may have more than 500 employees if they meet the SBA’s size standards for those industries. Pending publication, but the program will be available through SBA’s 7(a) lenders.

**10. Q: How do I apply for a small business loan through the Paycheck Protection Program?**

The application posted on the Treasury Department’s CARES Act resource page. <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf> After you gather the information described on the application form you should contact your bank or an approved lending institution to start the application process. The Small Business Administration has a network of at least 1,800 approved lenders that process small business loans and intends to add more of them.

**11. Q: What costs will the new loans cover?**

The new loans will cover payroll costs and employee benefits, mortgage interest incurred before February 15, 2020, rent and utilities under lease agreements in force before February 15, 2020 and utilities for which the service began before February 2020. Payroll costs include salary wages, commissions and tips capped at $100,000 for each employee. It also includes benefits for vacation, parental leave, medical leave, sick leave, and some other limited benefit categories. In some cases, they also can cover interest on other debts.

**12. Q: How do I prove that my losses are because of Coronavirus?**

The new loans are available to any business for which “current economic uncertainty makes the loan necessary to support your ongoing operations,” according to an SBA fact-sheet published Tuesday. Approved lenders will make a determination of need for your business based on SBA guidelines, but without a separate SBA review.

**13. Q: Which businesses qualify under the Paycheck Protection Program?**

Small businesses, nonprofits, tribal business concerns that meet the SBA’s standard business size definition and veterans organizations organized under 501(c)(19) with fewer than 500 employees are eligible for loans under the program. Self-employed individuals, independent contractors and sole-proprietors also are eligible. To receive a loan, your company must have been in business as of Feb. 15.

**14. Q: How much money can my business receive through the new loan program?**

The Paycheck Protection Program provides small business loans of up to $10 million to cover payroll and certain other expenses, or 2.5 times your total payroll expenses for the loan period. Other SBA loan programs, including the federal disaster relief program, offer much smaller loans.

**15. Q: What sort of thing could disqualify me?**

The application includes a long list of potential disqualifying factors. You cannot receive a paycheck protection program loan if your business or any of its owners have previously been suspended, debarred, proposed for debarment, declared ineligible, or were voluntarily excluded from the loan program by a federal agency, or are presently involved in any bankruptcy. You will be excluded from the program if you have ever taken a loan from the SBA that subsequently caused a loss to the government, is currently delinquent, or resulted in default. The application also excludes businesses in which any 20 percent owner is an individual who is currently subject to criminal charges, or who has previously been convicted or otherwise punished for a crime against a minor.

**16. Q: What information should I prepare?**

You will be asked to provide basic identifying information for your business, your business TIN number, your average monthly payroll, the number of jobs supported by your company and what specifically you want to use the loan money for. You will also be asked to list all owners who hold at least a 20 percent ownership stake in the company and affirm that they are not party to federal crimes. You will also be asked to provide the lender with documentation regarding your employee headcount over time as well as your payroll costs.

**17. Q: What time period is covered by Paycheck Protection Program loans?**

The new loans apply to costs incurred from Feb. 15 through June 30.

**18. Q: What is the interest rate?**

The Treasury Department is initially setting the loan rate at 0.5 percent. However, the CARES Act caps the interest rate for the Paycheck Protection Program at 4 percent, so it is possible interest rates could increase.

**19. Q: What will the payment schedule look like?**

The first payment will be due after six months and the full loan will be due after two years, according to SBA informational materials.

**20. Q: It looks like there are many different federal loan programs. Can my business receive funding through more than one?**

Yes. Businesses that have pending or existing SBA disaster assistance loans can still receive funding through the Paycheck Protection Program as long as the loans are not being used for the same thing. You also can still apply for a loan if you have an insurance claim pending. A single business cannot apply for more than one Paycheck Protection Loan.

**21. Q: What if I am still paying off a different SBA disaster loan?**

The Small Business Administration has made all deferments through Dec. 31 automatic. That means small-business owners do not have to contact the SBA to request deferment. If you have an existing or pending loan through the SBA’s disaster assistance loan program, you can refinance it into your Paycheck Protection Program loan, possibly lowering your interest rate.

**22. Q: Can the loan eventually be forgiven?**

Yes. The program includes loan forgiveness covering costs for the first eight weeks of the loan for companies able to keep employees on payroll or continue paying bills throughout the coronavirus crisis. The amount of loan forgiveness will include payroll costs for individuals below $100,000 in annual income, mortgage and rent obligations, including interest and utility payments. The total amount will be reduced if your workforce is drawn down through attrition or if wages are reduced. If you are forced to lay off employees because of economic conditions, you may be able to preserve some of your loan guarantee by hiring them back. Eligibility for loan forgiveness starts eight weeks after the loan origination date. There is a maximum 10-year maturity after application for loan forgiveness.

Your primary points of contact for information on federal loan programs should be the U.S. Small Business Administration or an SBA-qualified financial institution. You can reach the SBA by email at answerdesk@sba.gov or by phone at 1-800-827-5722. The agency has reported receiving “unprecedented” interest in its loan program in recent weeks but is working to set up new call centers to handle the flood of new inquiries.

The Treasury Department has also posted its own fact-sheet on the program on its CARES Act resource page. Several business groups also have published fact sheets on the SBA’s loan programs, including the Economic Innovation Group and the U.S. Chamber of Commerce. The U.S. Chamber’s fact sheet is on the WMA website.

**Economic Injury Disaster Loans** (EIDL) are available to the entire State of California and now include an Emergency Economic Injury Grant of up to $10,000 within three days of applying for EIDL. To apply directly online, go to the SBA website.

**Small Business Debt Relief** – if you are a current borrower under SBA 7(a) not through PPP, 504 loan program or a microloan, you are eligible for debt relief and SBA will cover all loan payments for six (6) months. View all of SBA’s programs <https://www.sba.gov/funding-programs/loans/paycheck-protection-program>

**California Capital Access Program (CalCAP) (1-500 employees)**

CalCAP is a loan loss reserve program that may provide up to 100% coverage on losses because of certain loan defaults. Individual borrowers are limited to a maximum of $2.5 million enrolled over a three-year period. Contact a participating lender to enroll. To contact the California State Treasurer’s Office:

Email CalCAP: CalCAP@Treasurer.ca.gov <CalCAP@Treasurer.ca.gov>;

Call: 1-916-653-2995

**CA Infrastructure and Economic Development Bank (IBank) Finance Programs (1-750 employees)** Disaster Relief Loan Guarantee Program: This disaster program provides loan guarantees of up to $1 million for small business borrowers in declared disaster areas. Jump Start Loan Program: This program offers loans from $500 to $10,000 to low-wealth entrepreneurs in declared disaster and emergency areas.

To contact IBank: IBank@IBank.ca.gov or Call: 1-916-341-6600