



Special Legislative Update ■ April 14, 2020

Governor Newsom Reveals More Details on Western State Pact

As promised, the Governor provided more details today on how he and his two gubernatorial counterparts on the west coast intend to evaluate when their states might be ready to modify shelter-in-place orders. He cited the following six indicators that will be assessed before loosening existing restrictions:

- The ability to monitor and protect our communities through testing, contact tracing, isolating, and supporting those who are positive or exposed;
- The ability to prevent infection in people who are at risk for more severe COVID-19;
- The ability of the hospital and health systems to handle surges;
- The ability to develop therapeutics to meet the demand;
- The ability for businesses, schools, and child care facilities to support physical distancing; and
- The ability to determine when to reinstitute certain measures, such as the stay-at-home orders, if necessary.

Governor Newsom did not offer a specific timeframe for modifying stay-at-home orders, but instead reiterated the need to rely on specific, science-based factors that will inform future decisions. Over the next few weeks the Administration will be closely monitoring hospitalizations and individuals in Intensive Care Units (ICU) to see whether the numbers flatten and/or decline. Additionally, the Administration will be building infrastructure in the six key areas outlined above. As a reminder, the state is making COVID-19 updates and an assortment of resources available [here](#).

During the press conference, the Governor thanked county health directors for their help and guidance. When asked by the press about the state guidance, he responded that "localism is determinative." The state guidance will serve as the floor, and it will be up to locals to determine how to loosen stay-at-home orders.

Public Finance Webinar: Orrick and Bond Rating Agencies Discuss COVID-19 Impact on Municipal Bonds

For those in the process of or considering going to the financial markets to borrow, a helpful webinar and presentation from Orrick and the four rating agencies is available for your review. (Access to both the [recorded discussion](#) and [presentation](#) are available.)

COVID-19 has obviously given rise to unprecedented concerns about revenues, coverage, and covenant compliance for issuers and borrowers of all credit ratings. Orrick organized a joint webinar with The Bond Buyer for a discussion about the effects of COVID-19 on the municipal market. Not surprisingly, the webinar was the largest ever hosted on The Bond Buyer's platform.

ICYMI... Federal Reserve Opens Municipal Liquidity Facility

In case you missed it, last week the Federal Reserve [announced](#) it had opened a \$500 billion liquidity facility to assist states, cities (with populations of 1 million or more), and counties (with populations of 2 million or more) with cashflow borrowing via short term notes with maturities of 24 months or less. States may aggregate requests to provide assistance to subdivisions that are not eligible for direct access to the facility. Eligible borrowers may use the borrowed funds to assist in managing cashflow associated with a delay in receipt of income tax revenue or other revenues impacted by the COVID-19 pandemic.

The State Treasurer's Office would be the likely entity to develop a program for cities and counties ineligible to borrow directly from the Federal Reserve. More information to come...

Governor Signs New Executive Order on DJJ Discharge and Reentry Process

Governor Newsom signed Executive Order [N-49-20](#) today, which addresses release and reentry processes for youth exiting the Division of Juvenile Justice (DJJ) in the context of today's pandemic.

The EO calls for the use of videoconference for all DJJ discharge and reentry hearings as a way to minimize COVID-19 exposure among all participants. Further, the order also addresses notification timeframes and puts in place new protocols for the location of reentry reconsideration hearings.

Eligible Counties May Apply Now for Federal Coronavirus Relief Funds

The United States Department of Treasury has announced that counties eligible for direct allocations from the Coronavirus Relief Fund must submit payment information and supporting documentation to the Treasury Department by Friday, April 17 at 11:59 p.m. Visit the US Treasury Department website [here](#) and follow the instructions to submit the required information.

Counties eligible for a direct allocation include: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, Stanislaus, and Ventura. A handful of California cities with populations of 500,000 or more are also eligible for a direct allocation.