



To: Sequoia Living Residents, Customers, and Staff
From: Sara McVey, President and CEO
Date: Wednesday, May 20, 2020

My mom used to say, “Sara Rose, you can be courageous, or you can be comfortable, but you can’t be both.” Well, Mom, I have never been more uncomfortable in my entire life! All of us have had to consume a massive amount of information and figure out how to live and lead in a calm and courageous manner.

This past weekend, I held “SIP (Shelter in Place) with Sara” conference calls with residents from The Sequoias San Francisco, The Sequoias Portola Valley, and The Tamalpais. We had around 150 residents call in from all three locations — it was so energizing to connect with many of you! In this week’s update, I’m providing a recap of four key topics discussed on the call:

1. **How Sequoia Living is doing as an organization**
2. **How we are safeguarding staff members**
3. **What Sequoia Living’s reopening plan is**
4. **What residents can do to help us keep COVID-19 out of our communities**

First, how is Sequoia Living doing as an organization?

CASES

As of today, we have ZERO residents who have tested positive for COVID-19. When residents have had symptoms, we have tested them. They have all been negative. We have had a total of four staff cases, and all are doing well.

Several months ago, we established our COVID-19 Action Plan, and adopted what some felt were strict protocols. Those Sequoia Standards have kept COVID out of our buildings. I thank each of you for working with us to keep everyone as safe as possible.

OUR FINANCIAL SITUATION

The most important thing I want to say is that Sequoia Living is going to harness the very best of this crisis and use it to come out the other side an even better organization.

- Our revenues are down, and expenses are up.
 - We made a conscious decision in March to halt all new move-ins to safeguard our staff and residents.
 - Our expenses are escalated due to several factors, including superhero pay for employees, extra employee benefits pay, personal protective equipment, and third party deep cleans. We are tracking COVID-19 expenses separately to ensure we have a firm grasp of the virus's impact.
- Sequoia Living did not qualify for funding through the CARES Act because we have too many employees. There is a second round of funding that is being pursued.
- Our current cash on hand is very strong: over 300 days.
- To maintain liquidity in the near term, we are deferring non-essential capital and expenses. These deferrals should have no impact on residents.
- As soon as COVID-19 began to emerge, our Board of Directors and leadership began scenario planning to ensure we had a firm plan in place. Due to this excellent stewardship, we will be able to weather the economic shocks of this crisis.
- Sequoia Living has been very well run for 60 years and the lights will stay on. It will take us time to recover, but we will recover, and we will be better for it.

The Sequoia Living staff are a big part of what happens next:

- We have to recover revenue.
- We have to revive demand, so people continue to move in—which means COVID-19 needs to stay out.
- We have to reboot and reimagine our operations, including:
 - Different dining room layouts
 - Heightened infection control
- A third party is auditing our CCRC operations to identify cost creep.

- The goal is also to do our part to ensure we control increases to monthly care fees. We are going to work very hard to mitigate escalation.
- The worst thing that could happen at this point is that we get an outbreak of COVID-19 cases when cities and counties open up. This is why we must clearly and courageously uphold the Sequoia Standards that will continue safeguarding staff and residents.

OCCUPANCY

The good news is that our Independent Living occupancy is strong.

- The Marketing teams have been doing a great job of keeping in contact with future residents.
- We just created [a short video](#) to express gratitude to our Sequoia Superheroes.
- Viamonte at Walnut Creek recently hosted a webinar with 86 attendees. We are 73% reserved and are planning to open in the fall.
- Our three affordable housing communities are almost fully occupied. We have arranged for grocery delivery and access to additional care. Staff are conducting well-being checks for residents. The Woods is fully occupied too.
- We are very aware of the impact of social isolation, which is a concern that we all have as we work to thrive during this crisis.

TRANSPARENCY

There is a lot of new information that comes to us each and every day. You have my commitment that when we know, you will know.

Second, how are we safeguarding our superhero staff?

We have more than 720 Sequoia Superheroes who bring their best selves to work every day even when all conditions are not perfect. Everyone is leaning in with both shoulders.

Our four employees who were diagnosed with COVID-19 have recovered and had complete pay continuation and support throughout their illness. We follow a very structured set of guidelines whenever a case is confirmed and before a person returns to work.

Sequoia Living's support to employees includes:

- Tax free bonuses to all staff to provide support for unexpected COVID-19 expenses.
- Waiving performance evaluations and providing merit increases.
- Expanding the use of sick leave, which normally would only be available for a bona fide employee illness, for the use of any COVID-19 related absence.
- Creating a Paid Time Off (PTO) donation plan where colleagues can donate their accrued PTO for others to use.
- Expanding the Emergency Relief Fund to provide financial resources to employees for COVID-19 emergency expenses.
- Providing an additional 80 hours of paid time for individuals who need to be off due to COVID-19 related reasons.
- Allowing staff who have reached or are reaching their PTO accrual cap and haven't been able to take PTO due to COVID-19 related reasons, to cash out 40 hours of PTO from their bank of time.
- Providing Personal Protective Equipment (PPE).
- Daily screening and temperature taking.
- Ongoing education and resources for protecting themselves and their family.
- Superhero socks, personal sanitizers, gift cards, video messages.

Third, what is Sequoia Living's playbook for reopening?

- As society opens up, we will continue to take a very conservative approach. I realize it is a lot to ask, but we need you to stay with us on this.
 - We will establish our own phasing and our own signature Sequoia Standards that will exceed county and state precautions.
 - The reopening of our services and amenities will be later than that of the state or local counties.
- We are working with staff on a handout about our phasing plan and what each of you can do to continue to keep COVID-19 out of our communities.
 - You will be part of the conversations over the coming weeks.
 - The intention is to do this **with** you and not **to** you.

- Our decision-making is informed by expert information:
 - Weekly COVID-19 calls with other senior living CEOs across the country.
 - Weekly calls with County and State Departments of Health.
 - Weekly calls with our Medical Directors.

THE SAFEST PLACE YOU CAN BE RIGHT NOW IS RIGHT WHERE YOU ARE

I am in no way minimizing the impact these restrictions have on each of us. The absence of seeing family and friends is agonizing. (I just realized that the last time I had a hug was February 15th.) Right now, as COVID-19 continues out there, being in here is best.

Fourth, what can residents do?

- **CCRC residents are now required to wear a face covering whenever they leave their apartments.**
 - Some of you asked if Sequoia Living could provide masks. At this time, we need to reserve masks for staff.
 - Residents can wear a scarf or bandana, as long it covers your mouth and nose.
 - Thank you to all residents who are making face coverings for their community.
- Keep saying good things about life at Sequoia Living. We need people to want to continue to move to our communities. We have 24/7 access to staff, food, comfort, and connection during a crisis.
- I need you to stay with us on our journey of reopening. We are going to set Sequoia Standards that extend precautions beyond what the county or state are suggesting because that approach has safeguarded us thus far.
- We all need to be stronger for longer. Let's stick together.

Coming Soon: Frequently Asked Questions

Many of you emailed insightful questions about testing, reopening, and restrictions. We are creating a Frequently Asked Questions page on the Sequoia Living website to respond to these and other questions. Please keep sending questions to Covid-19questions@sequoialiving.org.

Our updated **COVID-19 Action Plan** is also posted on the Sequoia Living website. <https://sequoialiving.org/covid-19-updates/>

Mass Testing

The counties are approaching our CCRCs about testing all residents and staff. This will serve as a guide for Governor Newsom's reopening plan. The variables of whether this is voluntary and how test results will be reported are among the questions we are exploring.

Mitigation Plan for Skilled Nursing

On Monday, the California Department of Public Health issued an All-Facilities Letter requiring all Skilled Nursing Facilities to submit a COVID-19 Mitigation Plan by June 1. These will include plans for testing, infection prevention and control, personal protective equipment (PPE), staffing shortages, designated spaces for COVID-19 positive residents to minimize transmission risk, and designated staff members for communication. We are working on a template that each skilled nursing area can adapt for local use.

Purpose Driven Playbooks

We are making good progress on our playbooks, which will lay the groundwork for how our communities will operate after COVID-19 restrictions are loosened. We will all need to do things differently. I know that we will emerge an even stronger, more resilient version of ourselves.

Sequoia Living Phased Approach

We are working on what we hope will be a simple handout to identify the phasing of reopening our individual communities and amenity areas, and to manage reengaging with life outside to stay safe. We are hoping to share some thoughts on this in June as more information about reopening becomes available to us.

COVID-19 has cancelled many things, but it has not cancelled the sense of community that is alive and well here. We have all come together to keep each other safe, and it is working. I am eternally grateful.

Namaste Sane,



Sara McVey, Sequoia Living President & CEO