



CALIFORNIA CORONAVIRUS WEEKLY RECAP

A weekly digest to keep you up to speed on the California coronavirus outbreak.

May 19, 2020

Welcome to the 10th issue of the Coronavirus Weekly Recap newsletter. Before we get started on this week's news, we want to make sure you're aware of what C.A.R. has been working on:

- To help you comply with the government's [industry guidance for real estate transactions](#), which requires agents to post rules — complete with pictograms — outside a property that all people viewing the property must agree to before entering, we have released a [new form](#) for you to use. C.A.R. is in the process of creating a comprehensive approach that will allow any brokerage to comply with all aspects of the new industry guidance. In the meantime, posting both this new form and the PEAD form together at the entrance to a property will assist agents and brokers in complying in part with the new industry guidance until the comprehensive approach is released.
- We have written to the California members of Congress asking them, among other things, to continue funding the Paycheck Protection Program (PPP) through June 30, 2020, and to approve temporary Remote Online Notary (RON) service for states that don't currently allow it. [You can read the full letter here.](#)

- Check out our new webinars this week on a) the advanced features in zipForm® Plus and zipTMS™, and b) navigating the challenges associated with finding listings in this current environment. To register for these and access our archive of past webinars, see the [webinars](#) page on the C.A.R. coronavirus microsite.
- You can continue to reach our COVID Relief Hotline at 213-351-8450 for 24/7 text support and live support between 8:30 a.m. and 4:45 p.m., Monday through Friday. You can also email any questions about financial relief to carcovidhotline@car.org.

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The Economy & Your Finances: Looming budget cuts for California

Nearly [3 million](#) more Americans filed for unemployment last week, bringing the total number of jobless claims to 36 million in a two-month timespan. While the rate of unemployment claims is [finally starting to slow down in California](#), the total has topped 4 million, and Governor Newsom predicts statewide unemployment will peak north of [24.5 percent](#).

On Thursday, when presenting a revised budget for the fiscal year beginning on July 1, Newsom said the state will need [\\$43.8 billion](#) to cover unemployment claims in the new year, a 650 percent increase from what was initially projected. California will likely need to borrow tens of billions of dollars from the federal government to cover those claims.

The [EDD has announced](#) it will begin the next phase of Pandemic Unemployment Assistance (PUA) payments this week. To speed the launch of the PUA program, EDD initially paid only the \$167 minimum weekly benefit to eligible claimants, without analyzing 2019 income to determine if claimants were eligible for higher benefits. Beginning May 20, the EDD will examine claimants' reported 2019 income and recalculate the benefit for which each claimant is eligible. The maximum weekly benefit is \$450 per week, plus the \$600 weekly federal addition for claim weeks from March 29 through July 31. Claimants due higher PUA benefit amounts will receive details in a notice sent through the mail, and the EDD will automatically issue adjustment payments for prior PUA payments made at the lower amount.

The [Paycheck Protection Program \(PPP\) loan forgiveness application form](#) has been published by the SBA. To apply for forgiveness of a PPP loan, borrowers must complete the application and submit it to their lender. The PPP loan forgiveness application includes instructions, but SBA has promised to publish further guidance soon to assist borrowers in completing their applications. In particular, guidance is expected regarding the specific non-payroll expenses (e.g., mortgage interest or rent and for a home office) that will be eligible for loan forgiveness when paid with PPP loan proceeds.

Due to the economic fallout from the pandemic, California is now expected to face a [budget deficit of \\$13.4 billion](#) in the current fiscal year and \$40.9 in the next fiscal year — a significant change from the \$5.6 billion surplus and \$21 billion in reserves the state was expecting. Newsom plans to address these gaps through \$14 billion in spending cuts, which will hit [education and healthcare](#) particularly hard — [housing and homelessness](#) funds would be spared, and funding for [wildfire protection](#) would still be on track to increase.

Newsom's budget director, Keely Martin Bosler, has said these cuts [may not be necessary](#) if a new federal coronavirus relief plan is enacted before July 1. But while the House of Representatives has [put forward a bill](#) that would set California up to receive nearly \$21.5 billion this year and \$26 billion next year, the [Senate has vowed to block the bill](#). Senate Majority Leader [Mitch McConnell has said he doesn't feel the urgency](#) to pass another stimulus package and has not yet laid out a timetable for a fifth bill.

Jerome H. Powell, chairman of the Federal Reserve, has said that while he expects the United States economy will recover from this sharp downturn, the [recovery period could stretch](#) through the end of 2021.

Sources: The New York Times, The Mercury News, NPR, Los Angeles Times, California Employment Development Department, U.S. Small Business Administration, Reuters, CAL Matters, The San Francisco Chronicle, Forbes

The Market & Industry: Housing indicators show signs of life, California considers rent stabilization program

California's housing market [felt the full brunt of the coronavirus pandemic in April](#), with home sales dropping sharply from both the previous month and year as the housing market began to feel the full impact of the coronavirus outbreak and the state's stay-at-home order, C.A.R.'s latest housing data showed.

After dropping by 40-60 percent since the stay-at-home order was put in place in March, both [new listings and the number of listings entering the escrow process have stabilized](#). The number of showings has also increased. Still, these numbers remain depressed compared to pre-crisis levels.

Home sales are expected to remain depressed in May, and while pending sales have started to increase, it will likely take 30 to 45 days before that increase turns into an increase in closed sales. The current expectation is for at least two additional months of double-digit declines for transactions, with the annual total expected to be down by around 10 percent for 2020. These numbers are predicated on a gradual reopening of the economy beginning now and continuing through the end of the year; a second wave would likely lead to a sharp downward revision of these numbers.

A study from Zillow suggests that when home buying begins to return in full force, the increase in work-from-home opportunities is likely to make the [suburbs more attractive](#) for many buyers.

California State Senate leaders are considering a massive economic relief package, which includes a [rent stabilization program](#) that would give tax credits to landlords to forgive the rent of tenants who cannot pay due to financial hardship from the coronavirus. The tax credits would be equal to the amount of rent, spread out over 10 years starting in 2024, and tenants would pay back their rent interest-free to the state [over the course of 10 years](#).

Tensions surrounding landlord-tenant relations continue to rise, with landlords in three Southern California cities — Upland, La Verne and Costa Mesa — [threatening to sue the cities](#) over eviction bans. The Federal Housing Finance Agency (FHFA) announced last Thursday that Fannie Mae and Freddie Mac would be [extending their moratorium](#) on evictions and foreclosures through June 30, 2020.

FHFA also announced [payment deferral](#) as a new payment option for homeowners in COVID-19-related forbearance, which allows borrowers who are able to return to making their monthly payments to repay their missed payments when the house is sold, refinanced or at maturity. And just this morning, FHFA announced that Fannie Mae and Freddie Mac have issued temporary guidance regarding the eligibility of borrowers in forbearance to refinance or purchase a new home. Around [4.8 million homes are in forbearance](#) right now, representing 8.8 percent of all home loans.

The California Department of Real Estate (DRE) has canceled all exams through May 31, 2020. Examinees affected by these cancellations will be allowed to reschedule their canceled exam dates using DRE's eLicensing system. Exam rescheduling fees will be waived for canceled exams. Examinees with questions or concerns regarding canceled exams can contact DRE's Licensing program at (877) 373-4542 or by email at Ask.DRELicensing@dre.ca.gov.

Around the State: Reopening begins in some counties

As of yesterday at 9:47 p.m., [cases numbered 81,827](#) and deaths had hit 3,287 — but experts are warning cases may be [severely undercounted](#). California as a whole has the fifth-largest outbreak in the country, behind New York (351,371), New Jersey (148,240), Illinois (96,485) and Massachusetts (87,052).

Governor Newsom has begun to [allow select California counties to reopen](#), entering Stage 2 of the state's roadmap to modify the stay-at-home order. The California Department of Public Health has a record of each county's attestation form that they have met the requirements to reopen [posted here](#). Early Stage 2 allows for the reopening of curbside retail, manufacturers, childcare for non-essential workers, and select services like car washes and pet grooming. The state has also laid out [specific requirements restaurants will have to meet](#) before being able to open back up to dine-in customers.

Meanwhile, the [Bay Area](#) shelter-in-place orders remain in effect through May 31, and [Los Angeles](#) is on track to extend its stay-at-home order through July.

As businesses begin to reopen, experts are warning that [large workplaces could be vulnerable to super-spreading events](#), where a [single person infects a large group](#) of people at one time. That concern is part of what has prompted the [California State University](#) system to extend online learning into the fall. The popular [Hollywood Bowl](#) in Los Angeles has canceled its summer outdoor concert season, and [summer camps](#) nationwide are mulling over whether it will be safe for them to open up to campers.

Sources: Los Angeles Times, California Department of Public Health, The San Francisco Chronicle, City and County of San Francisco, CBS News, NPR

Health Check-Up: Debate over vaccine timeline, California allows testing at pharmacies

While President Trump has vowed a [vaccine for COVID-19](#) will be available by the end of

the year, [infectious disease experts](#) warn the promise is “far from a sure thing.” The average vaccine has a development timeline of [over 10 years](#), and even if a viable vaccine were to be fast-tracked this year, [distributing it](#) would remain an issue.

In California, the Department of Consumer Affairs has issued a [waiver allowing pharmacies to begin collecting swab samples](#) and order FDA-approved COVID-19 tests. This should help California, which is now averaging 35,000 tests a day, meet its goal of testing 60,000 people a day for COVID-19.

Some doctors are reporting a trend of young, otherwise healthy coronavirus patients experiencing [strokes](#). And a patient who was admitted to the hospital for coronavirus and then recovered was recently readmitted, testing positive again. [Her story](#) brings into question whether contracting the disease once will protect you from contracting it again.

Sources: The New York Times, Los Angeles Times, NBC News, Yahoo! Finance, The San Francisco Chronicle



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