



## CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

January 13, 2021

Welcome to the 44<sup>th</sup> issue of the California Coronavirus Weekly Recap newsletter. Before we get started with this week's news, we want to make sure you're aware that we have posted two new [Legal Quick Guides](#): one on Complying with the Industry Guidance Showing Rules and one on Using the C.A.R. PEAD-V form. See also our new [Legal FAQs on Rules on Intergenerational Transfers Under Prop 19](#), which apply to any purchase or transfer beginning February 16, 2021.

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### The Economy & Your Finances: Newsom releases new budget proposal

Governor Newsom released a [\\$227 billion budget plan](#) last Friday that would address five critical state needs: vaccinating people against the coronavirus, reopening schools, sending out [\\$600](#)

[direct relief payments](#) to low-income residents, preparing for wildfires and providing relief for California businesses. To that last point, his [Equitable Recovery for California Businesses and Jobs plan](#) proposes an additional \$575 million for California small businesses on top of the initial \$500 million allocated to the California Small Business COVID-19 Relief Grant program.

The proposal prioritizes investments in two other significant areas: fair housing and housing production. The proposed budget includes \$2 million for the Department of Fair Employment and Housing, the state's civil rights agency, to conduct outreach education campaigns, housing surveys and prosecute violations of anti-housing discrimination laws. [In a statement](#), C.A.R. President Dave Walsh noted, "REALTORS® look forward to working with the governor and the legislature on advancing this budget proposal and other policies to ease California's housing affordability crisis and begin to make our housing laws more equitable for all Californians."

You can read the full summary of Newsom's budget proposal [here](#).

The United States lost [140,000 jobs](#) in December, the first monthly job loss since April 2020. Consumer spending has been flat over the past few months as the virus surged across the nation, and hiring has slowed accordingly.

In California, job losses [dipped slightly](#) for the week ending on January 2, but numbers remain elevated. California accounts for one in five unemployment claims filed nationwide. Meanwhile, the California Employment Development Department (EDD) [suspended 1.4 million unemployment claims](#) while it investigates fraud in its coronavirus relief program.

Some Americans will not be able to receive their \$600 stimulus check until they [file their 2020 taxes](#). Up to 20 million Americans could be affected. The IRS urges individuals to use its “[Get My Payment](#)” tool to check on the status of their check.

The [Paycheck Protection Program \(PPP\)](#) reopened to first-time applications on Monday, but only for businesses applying at community financial institutions. Applicants who have already received a PPP loan will be able to apply at community financial institutions for a second-draw loan beginning today. The SBA has not yet announced when applications will open for businesses applying for PPP loans through other lenders. Additionally, today is the last day to apply for a [California Small Business Relief Grant](#) during the initial application window. The program will have a second window for applications, but the dates for that window have not been announced. For more information about both of these programs, see our [FAQ on Small Business Administration Loans for Agents](#) and [FAQ on Small Business Administration Loans for Brokers](#).

The EDD has begun to implement the Pandemic Unemployment Assistance (PUA) provisions of the new CARES Act II, but we expect the EDD will implement the new law in several steps over the next two to three weeks. We suggest that members eligible for PUA benefits continue to monitor their EDD accounts on a weekly basis, but not to try to reopen claims or contact C.A.R. or EDD regarding EDD messages until closer to the end of January. We will continue to monitor information the EDD provides and will update our FAQ and other resources as more information becomes available.

Sources: KCRA, The Orange County Register, KTLA, ABC 10 News, Los Angeles Times, Office of the Governor of California, The Washington Post, U.S. Internal Revenue Service

## **The Market & Industry: Low rates likely to remain for a while**

The average interest rate on a 30-year fixed-rate mortgage fell to a [new record low](#) of 2.65 at the start of 2021. The Federal Reserve has signaled an [increased willingness](#) to keep rates low into

the year. Even with a modest deceleration in the past few weeks, California buyer demand remains high. And while pending sales dipped nationally in November despite low rates, in California they were up 16 percent from the same time in 2019.

California state lawmakers [resumed their session](#) on Monday, and one of their top priorities is to extend the statewide eviction protections that are currently set to expire on January 31. Governor Newsom has endorsed an extension, but has not indicated how long the extension should last. A recent [Harvard Joint Center for Housing Studies](#) report found that Black and Hispanic renter households were twice as likely as white renter households to be behind on housing payments.

The [San Francisco rental market](#) saw the most dramatic changes of all U.S. cities in 2020, with prices falling 26.7 percent since March. And San Francisco's [office market](#) had its worst slump in decades, with new leasing activity plunging 71 percent from 2019.

As of January 5, just over [5 percent](#) of all mortgages nationwide were in COVID-related mortgage bailouts. While more borrowers are getting current on their mortgages, the improvement is slowing dramatically.

Sources: CNN, C.A.R. Research & Economics, KTLA, CNBC, Harvard Joint Center for Housing Studies, The San Francisco Chronicle

## **Around the State: California passes 30k deaths, vaccine rollout slower than expected**

California's surge is worsening. Over the weekend, the state passed the milestone of [30,000 COVID-19 deaths](#). While it took six months to reach the first 10,000 deaths, the last 10,000 took place in barely over a month. Last Friday was [California's deadliest day to date](#), with more than 600 COVID-19 deaths reported on a single day for the first time. As of this morning at 9 a.m., the

statewide average for ICU bed availability is 0 percent, and the state is averaging a 17.6 percent positivity rate for tests. Cases in California numbered 2,799,189, deaths had reached 31,156, and 816,673 people have received vaccinations.

ICUs and morgues across [Southern California](#) are overwhelmed. Hospitals in the [Central Valley](#) are fighting oxygen shortages. Outbreaks are spreading through [San Diego](#) nursing homes at record speeds. In [Los Angeles County](#), where someone dies of COVID-19 every eight minutes, ambulance crews have been told not to transport patients with very low survival probabilities to hospitals. Cases are rising in the [Bay Area](#) faster than ever before, and hospital workers are reporting an increase in patients with [no underlying medical conditions](#).

In hopes of curtailing the surge, the [California Department of Public Health](#) has released new guidance urging Californians to avoid non-essential travel anywhere in the state that's more than [120 miles](#) from their residence. All persons arriving in or returning to California from other states should self-quarantine for 10 days after arrival.

California's vaccine rollout has been [slower than expected](#), in part due to technical problems with a software program used to coordinate distribution among a large network of providers. In an effort to [speed up the pace of vaccinations](#), California officials are [loosening the guidelines](#) on who is able to get vaccinated. This week, California began offering vaccines not just to hospital staffers, but to a broader range of healthcare workers. And if a vaccination dose is about to expire, health officials will allow it to be distributed to someone of a lower priority group. [Dentists](#) will also be allowed to distribute vaccines provided they complete a training course.

Sources: ABC News, The Mercury News, Reuters, CNN, ABC 7 News, The San Francisco Chronicle, California Department of Public Health, Los Angeles Times, California Department of Consumer Affairs

# Health Check-Up: More infectious strain likely spreading in California

[Dozens of cases](#) of a [potentially more infectious strain](#) of the coronavirus that originated in the U.K. have been detected in California. Health officials cautioned that the new strain is [likely already spreading](#) in parts of California where it has not yet been detected. According to a new study, the current [Pfizer-BioNTech](#) vaccine does appear to be effective against this new strain. Per Dr. Anthony Fauci, if a new strain does become resistant to the current vaccines, the [vaccine could be quickly modified](#) similar to the way the flu vaccine is modified every year.

Many of the first people to receive their initial coronavirus vaccination shot are now [receiving the second dose](#). Both doses are required for the vaccine to reach its highest efficacy rate. More than 6.6 million Americans have received their initial shot; no national data exists yet on the completion rate for the second shot.

Sources: Deadline, CAL Matters, Politico, CNN, TIME



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