

CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

April 21, 2020

We at C.A.R. sincerely hope you and yours are well during this difficult time. Before we get started on this week's news, we want to make sure you're caught up on what we've been doing this past week to help you through this crisis:

- We have been updating our [REALTOR® Relief](#) resources each day with new information as soon as it rolls in from the government agencies administering these programs. In the past week alone, a substantial amount of new details have emerged, including a payment schedule for Pandemic Unemployment Assistance (PUA) and information on what to do if you have already submitted a Paycheck Protection Program (PPP) loan application now that the Small Business Administration (SBA) is not currently accepting new applicants. Check our [Relief FAQ for Agents](#) and [Relief FAQ for Brokers](#) for the latest information.
- We have released a [video series](#) guiding you through some of the most frequently asked questions about the Pandemic Unemployment Assistance (PUA) program.
- We have compiled a [list of local, state and federal eviction moratoria](#). In all cases where a moratorium has been imposed, a tenant's obligation to pay rent has been

deferred, not forgiven.

- We released three new forms last week: Coronavirus Lease/Rental Addendum or Agreement (Form CVA-LR), Notice of Unforeseen Lease/Rental Coronavirus Circumstance (Form NUCC-LR) and Coronavirus Lease/Rental Property Entry Advisory and Declaration (Form PEAD-PR). We have also updated Coronavirus Addendum or Amendment (Form CVA), Notice of Unforeseen Coronavirus Circumstance (Form NUCC), Listing Agreement Coronavirus Addendum or Amendment (Form RLA-CAA) and Coronavirus Property Entry Advisory and Declaration (Form PEAD). [You can access these forms here.](#)
- C.A.R. continues to fight to ensure our members have access to the relief benefits to which they are entitled and to protect homeownership. We have written to Congress both to [request funding be increased for the Paycheck Protection Program \(PPP\)](#) as soon as possible and to take action to [eliminate bulk sales](#) in order to minimize the pandemic's impact on California's housing market in the future.
- Browse the [Webinars](#) page on the C.A.R. coronavirus microsite for the schedule of upcoming webinars and recordings of past webinars.

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The Economy & Your Finances: Loan programs for small businesses run out of funds

Since March 14, a record [22 million Americans](#) have filed for unemployment. Californians accounted for [2.7 million](#) of those claims, amounting to one in every seven workers statewide. The numbers aren't likely to stop there; new research suggests that as much as [43 percent](#) of California's workforce is at high risk of unemployment. The [Bay Area lost 27,000 jobs](#) in March, and [less than half](#) of Los Angeles County residents still have jobs: 45 percent down from 61 percent in mid-March.

Last Thursday, less than two weeks after launching, the SBA's [\\$349 billion](#) Paycheck Protection Program (PPP) ran out of funds and closed to new applicants. Loan applications that have been received by banks but not yet processed by the SBA [will not be able to be completed](#) at this time, and the SBA is not planning to maintain a queue for when the program is replenished. Congress has been deadlocked on the best way to replenish the emergency aid to small businesses but is now close to [reaching a deal](#) to provide funding for the PPP, hospitals and additional coronavirus testing. Of the loans that were processed before the program ran out of funds, approximately [\\$10.7 billion](#) went to real estate businesses.

The SBA also announced it has stopped accepting applications for Economic Injury Disaster Loans (EIDL). EIDL applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis. See our guide on [how to check the status of your EIDL application here](#). The new interim spending bill has also allocated funds to replenish the EIDL program.

Last week, the [California Department of Labor announced](#) it will be opening applications for Pandemic Unemployment Assistance (PUA) to California independent contractors and the self-employed [on April 28](#). California's Employment Development Division (EDD), which will be administering the program, has announced that in order to get money into people's hands as quickly as possible, payments will be issued in phases. Initially all applicants will be paid the minimum amount while the EDD works to determine if each individual is eligible for higher payments. See our [FAQ on PUA](#) for more information.

Meanwhile, the [IRS released a new tool](#) to help you check on the status of your stimulus check payment. If you haven't received your money yet, [here are some reasons](#) that

might explain why.

Sources: CNN, Los Angeles Times, Economic Roundtable, Mercury News, NPR, U.S. News & World Report, Inman News, The New York Times, California Department of Labor, CNBC, NPR, ABA Banking Journal, Internal Revenue Service

The Market & Industry: Slowing market, millions of loans in forbearance nationwide

As unemployment has skyrocketed, the housing market has slowed — and it's likely to remain slow as more jobs are lost. C.A.R.'s March sales report shows the market in California has begun to feel the effects of the virus, with existing, single-family home sales down 11.5 percent from February and 6.1 percent from March 2019.

Last week, a C.A.R. weekly poll found the percentage of California REALTORS® who have had a seller [remove their property from the MLS](#) rose by 54 percent, even with mortgage rates [hovering near an all-time low](#). MLS data suggests that the crisis is negatively impacting supply more so than demand, further tightening the state's already tight inventory. At this point, home prices seem to be relatively unaffected: The percentage of active inventory that has reduced prices has not risen much in the past few weeks, though listing prices on a per square foot basis have inched down slightly. However, C.A.R. expects prices will soften as we move further into the pandemic. While [new home construction slowed](#) to a pace of 1.22 million units in March, down from 1.56 million units in February, construction rates remain higher today than they were at this time last year.

Many existing homeowners are seeking payment delays, with nearly [3 million borrowers already in forbearance](#) nationwide. Financial experts are warning homeowners to carefully research their options before deciding to delay payments, as many borrowers would be responsible for [making up all missing payments in a lump sum](#) at the end of the program. And even with low interest rates, [those seeking new mortgages are facing challenges](#) as well, as many lenders have raised their required credit score and minimum

percentage down.

Last Tuesday, three federal regulatory agencies announced a relief effort that will [delay real estate appraisals and evaluations for up to 120 days](#) after the close of a transaction. The provisions are set to [expire on December 31, 2020](#), unless extended by regulators.

Meanwhile, the real estate industry continues to feel the effects of the weeks-long shutdown. The iBuying firm [Opendoor laid off 35 percent](#) of its workforce last week, and [RE/MAX has enacted cost-cutting measures](#) including a suspension of 401k matches and a hiring freeze. And last week, Governor Newsom signed an executive order [extending continuing education requirements](#) for real estate licensees by 60 days.

Sources: C.A.R. Research & Economics, REALTOR® Magazine, Housing Wire, NBC News, Inman News, Mortgage Professional America, Tech Crunch, Office of the Governor of California

Around the State: Planning for the reopening of California

Last week, Governor Newsom announced the [six indicators](#) California will consider before deciding how and when to reopen the state:

- 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.

[President Trump](#) has left the decision of when to reopen up to the governors, and [Newsom has insisted](#) there will be no flip-of-the-switch return to normal until we have

either herd immunity or a vaccine against COVID-19. In response to [protests over the weekend](#) by frustrated citizens demanding the economy be reopened, [Newsom maintained](#) that he will take his cues from scientists. Right now, California is [millions of tests](#) away from achieving Newsom's first indicator: the ability to monitor and protect communities through testing and contact tracing.

Without more concrete information, the timeline for reopening remains murky. But leaders are taking steps ensure that the process is as safe and beneficial to Californians as possible. Some officials are saying the [easing of restrictions could begin in May](#), with some retailers allowed to reopen so long as they implement safeguards such as masks and social distancing. [Mass gatherings](#) like sporting events and festivals are unlikely to be permitted in the near future (Los Angeles Mayor Eric Garcetti has said he thinks it [unlikely these events will be able to return until 2021](#)). Newsom has even suggested that when the school year begins again in the fall, it may have to do so with [reconfigured classrooms and staggered class schedules](#) to allow for social distancing. To ensure California is able to economically recover as it reopens, last Friday Newsom announced a new [business recovery task force](#) composed of 70 members including Disney's Bob Iger and Apple's Tim Cook to find ways to help California recover as quickly as possible from the economic fallout of COVID-19.

Newsom was the first governor to issue a stay-at-home order, and this reactivity — combined with [California's solitary car culture and existing familiarity with work-from-home](#) — has kept California from resembling New York, now the clear epicenter of the U.S. coronavirus crisis. Still, California recorded its [highest number of deaths](#) in a 24-hour period last week, with 95 people dying between last Thursday and Friday. As of last night at 11:47 p.m., there were [33,865 confirmed cases](#) of and 1,227 deaths due to COVID-19. Cases have been reported in 53 of the state's 58 counties with Los Angeles (13,823), Riverside (2,847) and San Diego (1,922) counties having the most cases. California has dropped to fifth-largest outbreak in the country, behind New York (253,060 cases), New Jersey (88,722 cases), Massachusetts (38,077 cases) and Pennsylvania (33,914 cases).

Sources: Office of the Governor of California, CNBC, ABC News, Los Angeles Times, The New York Times, Mercury News, Politico, Bloomberg, San Francisco Chronicle

Health Check-Up: Virus may be more widespread than initially thought, many of those infected show no symptoms

[Initial results](#) from a Northern California study released last week indicate the coronavirus may have circulated far more widely than previously thought. The results can be contributed in part to a lack of early testing, but they also speak to recent estimates that as many as 50 percent of all infected persons may be [asymptomatic carriers](#) who feel no symptoms but are capable of spreading the disease to others. And for those COVID-19 patients who do become symptomatic, a new study has shown that they are at their [most contagious one to two days prior to showing symptoms](#). These findings highlight the importance of preventative measures like social distancing and handwashing even for those who do not feel ill. This [3D simulation from *The New York Times*](#) demonstrates why maintaining a six-foot radius in particular is so vital to protecting against the virus' spread.

The [Centers for Disease Control and Prevention \(CDC\)](#) revised its list of symptoms that may appear 2-14 days after exposure to the virus beyond fever, cough and shortness of breath to include:

- Chills
- Repeated shaking with chills
- Muscle pain
- Headache
- Sore throat
- New loss of taste or smell

Doctors are also reporting a surge in an unexpected complication from the disease: [kidney failure](#). With more patients needing dialysis, hospitals are struggling to obtain enough [dialysis machines](#).

Sources: Los Angeles Times, Business Insider, USA Today, The New York Times, Centers for Disease Control and Prevention (CDC), The Hill



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