



## CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

July 1, 2020

Welcome to the 16<sup>th</sup> issue of the California Coronavirus Weekly Newsletter. We at C.A.R. hope you and yours are well and that you have a great Fourth of July this coming weekend. Before we get started on the news, make sure you check out our updated FAQs on [Pandemic Unemployment Assistance \(PUA\)](#), [SBA Loans for Agents](#) and [SBA Loans for Brokers](#).

### **In This Issue:**

- The Economy & Your Finances: New weekly unemployment claims fall nationwide, rise in California
- The Market & Industry: Buyer demand rebounding
- Around the State: Cases spike across the state
- Health Check-Up: U.S. cases undercounted

### **The Economy & Your Finances: New weekly unemployment claims fall nationwide, rise in California**

Nearly [1.5 million](#) laid-off U.S. workers applied for first-time unemployment benefits last week, a slight dip from the week before. Weekly numbers have been dropping for 12 consecutive weeks, indicating the job market is slowly beginning to stabilize. Still, these

new unemployment claims [surpassed economists' predictions](#) of 1.35 million new claims last week, and the [decrease from the week prior was very small](#), suggesting the job market is not sprinting back as states reopen.

Consumer spending rose 8.2 percent in May from a month earlier, supported primarily by massive fiscal stimulus injections in April. Given the recent surges in new virus infections across the country, it is not clear if Americans will continue to spend at May's pace in the coming months.

Congressional Democrats have urged Senate Majority Leader Mitch McConnell to immediately [start talks](#) on another coronavirus relief bill. McConnell has indicated the Senate will not consider [additional legislation](#) until after the July Fourth recess, at which point lawmakers will have access to the Labor Department's June jobs report. President Trump has said he would support sending Americans [more direct aid](#) as part of the next coronavirus relief package.

In California, new [unemployment claims rose](#) last week to 287,354 new claims up from 241,424 the week before. As of last Thursday, the California Employment Development Department had processed [6.7 million claims](#) since March 14 and paid approximately \$33.5 billion in benefits. With many applicants reporting they have not yet received any benefits despite having filed claims weeks ago or complaining about having trouble getting through to EDD representatives on the phone, lawmakers are increasingly calling on Governor Newsom to intervene and [audit the department](#). Job losses have affected [women and people of color](#) in California particularly hard; during the first three months of the pandemic, employment for Black and Latinx women fell more than three times the employment decline for white men.

A recent UCLA Anderson Forecast predicts California's economic trajectory will look like a "[Nike swoosh](#)": A sharp plunge followed by a gradual rise, not returning to its late-2019 peak until 2023.

The Treasury Department announced on Monday that [taxpayers must file their federal returns by July 15](#). An automatic extension through October 15 is available, but must be

specifically requested.

The Small Business Administration (SBA) published new regulations for the Paycheck Protection Program (PPP) stating that a borrower may submit a loan forgiveness application any time on or before the maturity date of the loan, including before the end of the covered period, if the borrower has used all of the loan proceeds for which the borrower is requesting forgiveness. The new SBA regulations also state that a borrower may request that the SBA review the lender's decision regarding forgiveness of the loan in the event that the lender determines that the borrower is not eligible for forgiveness. For more information, see the FAQs on [SBA Loans for Agents](#) and [SBA Loans for Brokers](#) on the C.A.R. coronavirus microsite.

Last night, the Senate passed a five-week PPP extension. The deadline to apply for a PPP loan was previously June 30, but the Senate voted to extend the deadline until August 8. The House and President must approve the legislation for the extension to take effect.

Sources: Los Angeles Times, NBC News, Politico, CNBC, The Hill, The San Francisco Chronicle, KTLA, California Budget & Policy Center, The New York Times

## **The Market & Industry: Buyer demand rebounding**

On a year-over-year basis, nationwide home sales were [down 26.6 percent](#) in May 2020 from May 2019; the May numbers are expected to be the cyclical bottom, with NAR predicting sales will rebound strongly in the coming months. This trajectory can be seen in pending home sale numbers, which spiked [44.3 percent](#) in May compared with April. Even so, [supply constraints](#) could slow this momentum.

Buyer demand seems to have rebounded, with mortgage applications up [18 percent](#) from this time last year. A survey from Helitech found 37 percent of buyers are [willing to risk exposure](#) to COVID-19 if it meant securing the right home. And according to Redfin, a record high of 27 percent of home shoppers are [searching for homes in different metro](#)

[areas](#), looking to relocate to more affordable, less dense areas.

After pausing all homebuying on March 17, RedfinNow has been reintroducing cash offers in select markets; last Friday, [RedfinNow resumed operations](#) in Dallas, San Antonio, Los Angeles and Orange County. Keller Williams has also renewed focus in its iBuying division, announcing last week that [Keller Offers is ending its exclusive partnership with Offerpad](#) and will now be allowing other investors to make all-cash offers on the homes it represents.

Meanwhile, the share of [mortgages in forbearance dipped](#) for a second straight week. And on Monday, the Federal Housing Finance Authority (FHFA) said [multifamily property owners](#) currently in forbearance can extend the payment suspension period for three more months on loans secured by Fannie Mae or Freddie Mac.

Sources: C.A.R. Research & Economics, CNBC, REALTOR® Magazine, Inman News, HousingWire, Forbes

## **Around the State: Cases spike across the state**

California is facing [troubling spikes](#) in coronavirus cases and [hospitalizations](#) statewide. Increases in hospitalizations statewide can largely be attributed to increases [in Ventura, Orange, San Bernardino and Riverside](#) counties. This new surge appears to be driven in part by an increase in the number of [young people getting sick](#). With the [percentage of people testing positive](#) for COVID-19 in California rising in the past two weeks, Governor Newsom has blamed birthday parties, children's playdates and other private gatherings.

As of yesterday at 10:07 p.m., cases in California numbered [232,273](#) and deaths had hit 6,088. Current statistical modeling predicts if this trajectory continues, California will reach [16,000 COVID-19 deaths](#) by October 1, 2020, with half of those deaths coming from Los Angeles County. The California Department of Public Health is actively monitoring the situation in [19 counties](#) that are experiencing spikes. California has the second-highest number of coronavirus cases in the country, behind New York (393,454). Yesterday, Director of the National Institute of Allergy and Infectious Diseases Dr.

Anthony Fauci said he wouldn't be surprised if new nationwide cases rise by [100,000 a day](#) in the near future.

Across the state, counties are having to [pause or reverse](#) their reopening processes. Hospitals are nearing surge capacity in [San Bernardino](#). [San Francisco](#) paused its planned reopening of barbershops, nail salons and outdoor bars, initially scheduled for this past Monday. Hospitalizations haven't been this high in the [Bay Area](#) since May. Governor Newsom [recommended bars closed](#) in eight counties and ordered them closed in seven — including [Los Angeles](#), where residents have had [difficulty obtaining coronavirus tests](#) and experts predict two to three weeks remain before [hospitals run out of beds](#). Surging cases in [San Diego](#) have officials doubting whether UC San Diego will be able to reopen as planned for its fall quarter. Governor Newsom has hinted at [renewed restrictions](#) statewide if this trajectory continues.

Tourist destinations have also been walking back their plans to reopen. [Yosemite National Park](#) canceled campsite reservations through July two weeks after reopening them to the public, and [Disneyland](#) has delayed its reopening plans indefinitely.

Newsom has doubled down on his mandate that all Californians wear masks in public, warning that counties that fail to abide by these rules could face [funding cuts](#).

Sources: Los Angeles Times, The Sacramento Bee, CAL Matters, CNBC, The Fresno Bee, Time Magazine, The Mercury News, The San Francisco Chronicle, California Department of Public Health

## Health Check-Up: U.S. cases undercounted

Data from the Centers for Disease Control and Prevention (CDC) reveals that coronavirus infection numbers in the United States have been [vastly undercounted](#) and could be 10 times higher than reported. Of cases that have been recorded, 11 percent have been linked to nursing homes—as have [43 percent](#) of all recorded COVID-19 deaths.

For Californians seeking healthcare, [Covered California](#) has extended its special

enrollment deadline such that anyone who meets the eligibility requirements can apply through July 31.

A new study has revealed that even [asymptomatic carriers](#) of COVID-19 could sustain temporary lung damage from the disease. [No one is quite sure](#) how many asymptomatic carriers there are or who is more likely to be an asymptomatic carrier: In a test of nursing homes, only 4 percent of people testing positive were asymptomatic, whereas 88 percent of COVID-positive pregnant women admitted to a hospital during the New York City outbreak had no symptoms.

*The New York Times* has tips for [getting the most out of your mask](#) and what you should do if you need to use a [public restroom](#) during the pandemic.

Sources: The New York Times, National Public Radio, Covered California, WBUR



This message was sent to katherinem@car.org. Visit your [subscription management page](#) to unsubscribe or modify your email communication preferences. To update the email address to which this newsletter is sent, please contact your local association.

Copyright © 2020, All rights reserved.