

## CALIFORNIA CORONAVIRUS WEEKLY RECAP

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

April 14, 2020

C.A.R. is hard at work keeping you updated on and prepared to handle the challenges of this crisis. Before we start in on this week's news, here's a rundown of what we have been working on for you this week:

- We have been updating our [Relief FAQ for Agents](#) and [Relief FAQ for Brokers](#) daily with the newest information on the various financial assistance programs available to REALTORS®. At the beginning of each FAQ, we have highlighted the answers that have changed in the last update. If it's been a few days since your last visit, we encourage you to take another look at these FAQs.
- We have written step-by-step instructions walking you through [how to apply for an Economic Injury Disaster Loan \(EIDL\)](#) from the U.S. Small Business Administration. For more information on EIDLs — targeted, low-impact loans to small businesses and independent contractors that have experienced “substantial economic injury” as a result of the coronavirus — see our [FAQ on Small Business Administration Loans](#).
- For those applying for loans from the Small Business Administration, make sure you check our new guide on how to [Protect Yourself from SBA Loan Scams](#). The

authorization of COVID-19 relief funds by the federal government under the CARES Act has seen a rise in scammers trying to divert those funds into their pockets.

- We have updated our [FAQ on Landlord Issues](#) to account for the deluge of eviction moratoria that have been enacted at nearly every level of government in the past few weeks.
- Check our just updated list of [Local Ordinances](#) for information on city and county restrictions on real estate that may be more strict than the state rules.
- For a list of upcoming webinars, see our [Webinars](#) page on C.A.R.'s coronavirus website, where you can also find recordings of past webinars.

## In This Issue:

- [The Economy & Your Finances: Relief is coming — slowly](#)
- [The Market & Industry: Even with delays, market is still moving](#)
- [Around the State: Stay-at-home unlikely to end soon](#)
- [Health Check-up: Antibody testing, racial disparities and guide for running errands](#)

## The Economy & Your Finances: Relief is coming — slowly

[An extraordinary 16 million people filed for unemployment](#) in the United States during the past three weeks. In California, [one in nine workers](#) have filed for unemployment, and experts are predicting unemployment rates could hit as high as [18 percent](#) by this May. Yesterday, Governor Newsom announced he would be partnering with the governors of Washington and Oregon on a "[regional pact to recovery](#)"; more details are expected soon.

Relief promised in the Coronavirus Aid, Relief, and Economic Security (CARES) Act is on the way, albeit slowly. Last Friday, applications for Paycheck Protection Program (PPP) loans — forgivable, government-guaranteed loans with deferred payments for small

businesses — were made available to [independent contractors](#), although many major lenders are currently only assisting those who already have a business checking account open with them. Some lenders, such as community banks, are willing to take new customers. If you need assistance finding a PPP lender, see the SBA's [Lender Match](#) tool.

Last Saturday, the Small Business Administration reported it had already distributed [750,000 loans](#) through the Paycheck Protection Program. The Trump Administration has [requested another \\$250 billion](#), but Congress is divided on how to implement the additional aid.

Independent contractors who are unable to work due to the coronavirus crisis but are not eligible for traditional unemployment have been eagerly awaiting updates on the Pandemic Unemployment Assistance (PUA) program. Last week, the California Employment Development Department (EDD), which will distribute PUA assistance to Californians, launched a website with information on eligibility requirements. However, the EDD does not yet have an application system in place at this time. The U.S. Department of Labor has provided additional guidance regarding the program, which you can find summarized on our [Pandemic Unemployment Assistance FAQ](#).

C.A.R. still recommends that REALTORS® who are independent contractors should wait before filing for unemployment compensation. **However, if you might be eligible for benefits under the traditional unemployment system — if you aren't working or have reduced income and you either have a job or entity that pays you income and reports it on a W-2, or you have received compensation reported on a W-2 in the past 18 months — you should apply for traditional unemployment now.** Find more information on traditional unemployment [here](#).

The direct payments promised to individual taxpayers through the CARES Act should be arriving soon. Taxpayers whose adjusted gross income was \$75,000 or less for individuals (or \$150,000 for joint return filers) will receive checks of \$1,200 per person (\$2,400 for joint filers) and \$500 per child. For income levels above those thresholds, the payments will be phased out. While the IRS has not yet stated this clearly, unofficial

sources are reporting these payments are [not likely to be subject to income tax](#).

Sources: The New York Times, Mercury News, The Sacramento Bee, Los Angeles Times, CNBC, U.S. Small Business Administration, Inc., Time Magazine, California Employment Development Department (EDD)

## **The Market & Industry: Even with delays, market is still moving**

Last week, most major regions in California saw [home sales entering escrow fall by more than 10 percent](#). Rising numbers of California REALTORS® have seen more sales fall out of escrow, and roughly two-thirds of those surveyed by C.A.R. last week have experienced delays with escrow funding. Fifty-nine percent of respondents in a flash survey conducted by the National Association of REALTORS® last week reported [buyers are delaying their home purchase](#) for a couple of months.

Even so, [business is still getting done](#): More than 30 percent of respondents in C.A.R.'s most recent weekly poll had closed an escrow since March 15. While many transactions are facing delays, the California market is still moving even under these extraordinary circumstances. This can be attributed in part to ramped up use of [technology](#) to substitute for aspects of the transaction usually handled in person. For instance, last week Redfin reported [12 percent of offers](#) were signed by customers who had virtually toured, but never actually visited, the home.

To ensure transactions are still able to be completed, C.A.R. — partnering with other organizations — has sent a [letter to Governor Newsom urging him to affirm that California law recognizes the validity of documents that are legally remotely notarized and mandate that such documents be accepted for recordation in all California counties](#). On April 3, [C.A.R. wrote to the California Franchise Tax Board \(FTB\)](#) requesting an extension of 1031 like-kind exchange deadlines; over this past weekend, the [FTB granted deadline relief for 1031 like-kind exchanges](#) currently underway. If an investor has taken the first step of a like-kind exchange by selling the old property, and either the 45-day or the 180-day deadline falls between April 1 and July 15, the deadline has been extended to July

15.

Meanwhile, concerns remain about the lasting impact of this crisis on real estate firms, the rental industry, and homeownership in California. Last week, [Redfin furloughed 41 percent of its agents](#), and [eXp Realty laid off 15 percent of its staff](#). Nearly 6 percent of tenants in San Francisco were [unable to pay April rent](#), and California judicial leaders have [halted evictions statewide](#). And with unemployment on the rise, [affordable housing](#) — of which California is already 1.3 million units short — will likely be in even higher demand as a result of the crisis.

Sources: National Association of REALTORS®, Curbed, REALTOR® Magazine, California Franchise Tax Board, HousingWire, Inman News, San Francisco Chronicle, Los Angeles Times

## **Around the State: Stay-at-home unlikely to end soon**

On Saturday, the United States overtook Italy to become the country with the [highest COVID-19 death toll](#) with over 20,000 deaths nationwide. In California, as of Sunday afternoon at 4:26 p.m., there were 24,371 confirmed cases of and 731 deaths due to COVID-19. Cases have been reported in 53 of the state's 58 counties with Los Angeles (9,480), San Diego (1,847) and Santa Clara (1,751) counties having the most cases. California has dropped to fifth-largest outbreak in the country, behind New York (195,749 cases), New Jersey (64,584 cases), Massachusetts (26,867 cases) and Michigan (25,244 cases).

While signs point to California managing to [flatten the curve](#), the governor is unlikely to lift the stay-at-home order soon, given that [cases are likely to rise](#) as soon as social distancing measures are relaxed. The [shelter-in-place order in the Bay Area](#) is currently set to last until May 3, and last Friday, Los Angeles County extended its [safer-at-home order through May 15](#), with hints these measures could [last into summer](#). Ventura County has gone so far as to [ban any gathering of more than two people](#). In Southern California, [Kaiser Permanente has announced it is closing numerous offices](#) to help stop the spread of the virus.

California's relatively quick actions to ask residents to stay home and to close non-essential businesses has kept its [death toll well below that of New York](#). Governor Newsom feels confident the state has [enough medical equipment](#) to weather the crisis; he even [donated 500 ventilators](#) to the Strategic National Stockpile so they can be redeployed to states that need them more.

Sources: BBC News, Los Angeles Times, Curbed, Ventura County, CAL Matters, Mercury News

## Health Check-Up: Antibody testing, racial disparities and guide for running errands

Two California-based biotech companies have begun [collecting blood from patients who have recovered from COVID-19](#) in hopes that their antibodies will be useful in the development of a vaccine. [Testing for antibodies](#) in patients who were never officially diagnosed with COVID-19 may also help determine the extent to which the virus has spread — and how close we are to achieving [herd immunity](#), which will help guide when we can begin to resume normal activities.

New data has highlighted a concerning trend of [racial disparities](#) among those infected with the coronavirus. Of the coronavirus victims whose demographic data has been publicly shared, about 42 percent were black — despite African Americans accounting for roughly 21 percent of the U.S. population. Experts say these higher death rates are [grounded in decades of structural inequality](#) that contributes to overall health and wellbeing.

For those concerned about contracting COVID-19 from your food, experts say you are [unlikely to be at risk from ordering takeout](#). And the greatest risk posed by grocery shopping isn't touching the cart someone else has touched, it's simply [being in the store](#) with others who may not know they are infected — which is why it is important to be as quick and efficient as possible while shopping. For more recommendations, the Centers for Disease Control and Prevention (CDC) has released a new guide for [running](#)

[essential errands.](#)

Sources: San Francisco Chronicle, USA Today, Association of Professionals in Infection Control and Epidemiology, Mercury News, NBC News, Vox, Centers for Disease Control and Prevention (CDC)



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