



CALIFORNIA
BUSINESS,
CONSUMER
SERVICES AND
HOUSING AGENCY

2020
END OF YEAR
REPORT



GAVIN NEWSOM

Governor

LOURDES M. CASTRO RAMÍREZ

Secretary

Business, Consumer Services
and Housing Agency



MESSAGE FROM THE SECRETARY

2020 was a year of uncertainty and challenge, but it was also one of innovation and collaboration for our Agency.

While rising to meet the unique challenges brought by the pandemic, and with the steadfast leadership of Governor Newsom, we were still able to fund and facilitate the development of safe, affordable housing; coordinate the statewide response to homelessness; license and regulate professionals and businesses; and guard the civil rights of Californians. All with a focus on equity and inclusion.

All entities under our Agency had to be creative in their approaches to adapt to stay-at-home orders and continue the work that needed to be done. We successfully transitioned staff to telework and created new processes to provide seamless operations.

We reinforced the state's public health orders through a coordinated, educational enforcement approach to inform licensees and businesses of new guidelines to help support their operations during a stressful and trying time. Working across departments and agencies, thousands of businesses were contacted during the pandemic by our staff offering information and services.

In partnership with the Legislature, we were able to keep people housed and support tenants, homeowners, and small landlords with the signing

by Governor Newsom of the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (AB 3088) and the launch of our *Housing is Key* campaign. Additionally, through the introduction by Governor Newsom of Homekey and its implementation in partnership with local communities, over 6,000 new units will be created to house those experiencing homelessness.

Also, this year we undertook an assessment of the state's housing finance system to support greater production, equity, and certainty. This effort has resulted in better coordination, improved decision-making, and consistency guided by the Administration's housing values and priorities.

We supported the expansion of financial protections through the newly created Department of Financial Protection and Innovation, and we won several significant civil rights lawsuits on behalf of California's most vulnerable populations.

Through it all, we didn't lose sight of our mission: to protect California consumers, residents, and communities.

As we close out 2020, I see promise in the year ahead. Our accomplishments, with much cross-agency and interdepartmental collaboration, have created a strong platform for the coming year. I am thankful to Governor Newsom and his Administration for entrusting me to lead this Agency and my dedicated team. ¡Gracias!

In partnership,

Lourdes M. Castro Ramírez



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ABOUT BCSH

With over 6,000 employees and a \$4.6 billion operating budget department-wide, the Business, Consumer Services and Housing Agency is responsible for fostering an equitable and inclusive California. BCSH does this by: licensing and regulating over 4 million professionals, businesses, and financial services; funding and facilitating the preservation and expansion of safe, affordable housing; advancing statewide collaborative efforts to prevent and end homelessness; and guarding and enforcing California's civil rights laws.

ENTITIES UNDER BCSH

DEPARTMENTS

Eric Hirata

Director
Department of Alcoholic Beverage Control (ABC)

Kimberly Kirchmeyer

Director
Department of Consumer Affairs (DCA)

Manuel P. Alvarez

Commissioner
Department of Financial Protection and Innovation (DFPI)

Douglas R. McCauley

Commissioner
Department of Real Estate (DRE)

Tia Boatman Patterson

Executive Director
California Housing Finance Agency (CalHFA)

Gustavo Velasquez

Director
Department of Housing and Community Development (HCD)

Kevin Kish

Director
Department of Fair Employment and Housing (DFEH)

BOARDS

Taryn Kinney

Executive Officer
Alcoholic Beverage Control Appeals Board

Anne Hawley

Executive Director
Cannabis Control Appeals Panel (CCAP)

Scott Chaney

Executive Director
California Horse Racing Board (CHRB)

Julie Lo

Executive Director
California Homeless Coordinating and Financing Council (HCFC)

LEADERSHIP

BCSH LEADERSHIP

Lourdes M. Castro Ramírez
Secretary

Melinda Grant
Undersecretary

Tad Egawa
General Counsel

Philip J. Laird
Deputy General Counsel

Lila Mirrashidi
Deputy Secretary of Business
and Consumer Relations

Lynn von Koch-Liebert
Deputy Secretary of Housing

Ali Sutton
Deputy Secretary of Homelessness

Russ Heimerich
Deputy Secretary of Communications

Veronica Harms
Deputy Secretary of External Affairs

Amy Wilson
Deputy Secretary of Legislation

Myles White
Assistant Director of Legislation

Victoria L. Gonzalez-Gerlach
Senior Advisor

Patricia Ochoa
Administrative Process Manager

Jason Piccione
Agency Information Officer

Tiffany Garcia
Deputy Secretary of Fiscal Policy
and Administration

Anna Pozdyn
Administrative Operations Manager

Brian Skewis
Budget Manager

Gladys Lopez
Business Operations Manager

EXECUTIVE FELLOW

BCSH is pleased to mentor and inspire the next generation of public servants through participation in the Executive Fellowship Program of the Center for California Studies. Executive fellows are supervised by the Deputy Secretary for Housing and Consumer Relations.

Junius Barrie
November 2019–September 2020

Barrie supported BCSH in the management of the Outsmart Disaster Campaign, a public/private awareness campaign to help businesses mitigate the impacts of natural disasters. He also served on the Governor's COVID-19 Housing Advance Planning Task Force to support short-term response and plan for recovery efforts. Since the completion of his fellowship, he has remained in state service, securing a position at the Department of Housing and Community Development.

RETIREMENTS

This past year, BCSH bid farewell to several career public servants who retired from the state after many decades of service. Thank you for your service!

Sandra Knau
Assistant Commissioner, Administration,
Department of Real Estate
33 years of state service

Dan Sandri
Acting Commissioner, Department of Real Estate
31 years of state service

Andrew Armani
Information Officer, Business, Consumer Services
and Housing Agency
30 years state service

Lori Ajax
Bureau Chief, Bureau of Cannabis Control
26 years state service

Jacob Appelsmith
Director, Alcoholic Beverage Control
25 years of state service

Kim Madsen
Executive Officer, Board of Behavioral Sciences
25 years of state service

James Martin
Chief, Bureau of Real Estate Appraisers
25 years of state service

GOVERNOR PRIORITIES

Even amidst the COVID-19 pandemic, the governor and the Administration continued to stay focused on his priorities including ending and preventing homelessness, creating safe and affordable housing, and providing resources and relief to licensed professionals and businesses.

COVID-19 RESPONSE

On March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, to formalize emergency actions already underway across multiple state agencies and departments, and to help the state prepare for broader spread of COVID-19. In response to the declaration and stay-at-home order, state agencies worked to coordinate service delivery and help the public comply with health orders to stay safe. Some BCSH departments were called upon to serve on task forces to help lend support and expertise to aid in preventing the spread of COVID-19.



HOMELESS HOUSING, ASSISTANCE AND PREVENTION PROGRAM

On March 17, 2020, Governor Gavin Newsom signed SB 89, which was approved unanimously by the Legislature. SB 89 authorized a total appropriation of up to \$1 billion to provide assistance to help fight the spread of COVID-19. On March 18, 2020, the Administration allocated \$100 million in emergency funding from SB 89 to local governments to help protect this vulnerable population and reduce the spread of COVID-19 by safely getting individuals into shelter and providing immediate housing options. The funding intended for measures to help prevent and contain COVID-19, was also used for medically indicated services and supplies such as testing and hand-washing stations. Funding was also used for such things as acquiring new shelters, supplies, and equipment for emergency shelter operations, increasing shelter capacity, street outreach, and acquiring locations to place individuals who need to be isolated because of COVID-19 illness or exposure.

COVID-19 HOUSING AND SOCIAL SERVICES TASK FORCE

BCSH co-led with the California Department of Social Services the COVID-19 Housing and Social Services Task Force that was established to identify accessible housing and isolation solutions for high risk populations, including persons experiencing homelessness. As of October, accomplishments of the Task Force included launching Project Roomkey; developing more than 15 guidance documents, including *COVID-19 Homeless Management Information System (HMIS) Workflow: Symptom and Shelter Screening* to support Project Roomkey; and, launching the *Housing is Key* campaign.

HOMEKEY—HOUSING FOR INDIVIDUALS EXPERIENCING HOMELESSNESS

Building on the success of Project Roomkey, a first-in-the-nation program to temporarily house Californians experiencing homelessness, Governor Newsom announced Homekey, which was designed to convert hotels, motels, vacant apartments, and other buildings to permanent

housing for individuals experiencing homelessness. The program, a collaboration of government of all levels and partners in philanthropy, also provides supportive services, including job training, substance abuse counseling, and more to help end the cycle of homelessness. More than \$800 million was allocated to the project. Philanthropy contributed \$46 million to support wraparound services for Homekey units.

GOVERNOR NEWSOM'S TASK FORCE ON BUSINESS AND JOB RECOVERY

The Task Force, launched by the governor in April, leveraged input from a diverse group of more than 100 leaders from business, labor, academia, and philanthropy, as well as advocates for racial and economic justice and legislative leaders. In November, the Task Force released their report, which identifies priorities and challenges as the state works to rebuild a more equitable, sustainable, and resilient economy.

BCSH entities also worked with stakeholders to help inform businesses of relief, like the California Rebuilding Fund, made available to help mitigate the impact of COVID-19.

“We have not let up on our commitment to doing everything in our power to address homelessness. There is not a state in America that has committed this kind of capital infusion and purchasing power to get people off the street and into permanent housing thanks to Homekey.”

— Governor Gavin Newsom





BCSH INITIATIVES

FUNDING, PROTECTING, AND FACILITATING SAFE HOUSING

State's Housing Advanced Planning—BCSH, in coordination with more than 20 state agencies, departments and the Governor's Office, helped identify and plan for high priority strategies for short-, medium-, and long-term solutions to the housing and homelessness crisis, as exacerbated by the COVID-19 pandemic. The final strategies are categorized in four action areas:

- Protect Californians by ensuring and maintaining stable housing through rental assistance, foreclosure prevention, and policy.
- Preserve and produce homes for Californians and enact solutions to protect and expand affordable housing supply.
- Sustain and strengthen California's comprehensive response to prevent and end homelessness.
- Implement people-centered strategies that connect people to jobs and reactivate a more resilient economy.

Mortgage Forbearance, Foreclosure, Rent Relief—In March, Governor Gavin Newsom issued Executive Order N-28-20 directing the Department of Financial Protection and Innovation (DFPI,

formerly the Department of Business Oversight) to work with financial institutions to identify ways to provide Californians relief from the threat of residential foreclosure and displacement, and to promote housing security and stability. The Executive Order also asked financial institutions to implement an immediate moratorium on foreclosures arising from causes related to COVID-19.

In response to the executive order, BCSH Secretary Castro Ramírez and DFPI Commissioner Manuel P. Alvarez issued guidance to escrow agents, finance lenders and servicers, student loan servicers licensed under the Student Loan Servicing Act, and residential mortgage lenders and servicers licensed under the California Financing Law (CFL) and California Residential Mortgage Lending Act (CRMLA).

Housing is Key—In September, BCSH launched [HousingisKey.com](https://www.housingiskey.com) with much success. The website provides online resources to help Californians stay in their homes or understand housing options during COVID-19 and beyond. BCSH and the Department of Real Estate (DRE) used this website to share information and resources about the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (AB 3088) available to tenants, landlords, and homeowners throughout the state. To date, there have been nearly 450,000 visits and almost 80,000 downloads of forms and materials from the website. In October, BCSH partnered with the telephone hotline service 2-1-1, which has received hundreds of calls from renters and property owners.

AB 3088 also required BCSH, in consultation with the Department of Finance, to engage with residential tenants, landlords, property owners, deed restricted affordable housing providers, and financial sector stakeholders about strategies and approaches to direct potential future federal stimulus funding to most effectively and efficiently provide relief to distressed tenants, landlords, and property owners, including exploring strategies to create access to liquidity in partnership with financial institutions or other financial assistance.

BCSH initiated the stakeholder engagement process with an online survey conducted from October 20–November 13, 2020. Three hundred ninety-nine (399) survey respondents participated, representing a variety of professional and personal backgrounds from throughout the state.

They indicated that the following three eligible uses for federal funding were the most important:

1. Assisting persons experiencing homelessness with high risk of COVID-19 exposure;
2. Rehousing assistance to support people to exit homelessness successfully, including short- to medium-term rental assistance; and
3. Assistance for low- and moderate-income tenants and landlords.

Survey participants also largely noted that limited housing-related COVID-19 relief funds should go to the most vulnerable populations: individuals experiencing homelessness and most at risk for COVID-19 exposure.

California Debt Limit Allocation Committee (CDLAC) and California Tax Credit Allocation Committee (TCAC) Coordination—BCSH is committed to coordinating the housing finance system to serve people more effectively. In this effort, BCSH provided comments on the CDLAC 2021 Scoring System Framework. Among the feedback was to add definitions related to new criteria proposed by the Administration and Working group, add a new threshold requirement related to the developer experience, evaluate TCAC regulations language and terminology for unintended consequences and impact prior to mirroring in CDLAC, and evaluate a higher developer fee limit for smaller and new developers to support inclusion. BCSH is working closely with CDLAC and TCAC to make sure the regulations reflect the Administration’s prioritized value set. CDLAC is expected to adopt the final regulations in December.



ENDING AND PREVENTING HOMELESSNESS

100-Day Challenge—In December 2019, Governor Gavin Newsom announced a 100-Day Challenge Initiative to address homelessness across California. In May, Alameda, Los Angeles, Riverside and Stanislaus counties launched the first set of 100-Day Challenges of this initiative.

The focus of these Challenges has been to ensure that those who are housed as a result of Project Roomkey exit the program into safe and stable housing. Over the course of the 100 days, the four communities safely and stably housed 292 Project Roomkey clients. The communities also achieved significant systems changes during the Challenge, including new approaches and successes in cross-systems collaboration.

Cohort 2 was announced in October and expects to report on its efforts in January 2021 for San Francisco, Santa Barbara, and Sonoma counties.

Homeless Data Integration System (HDIS)—In November, HCFC announced that a vendor was selected to build HDIS. HDIS will allow the state to access and compile standardized data from California’s 44 Continuums of Care (CoCs). With consistent data, California will be able to enhance its understanding of the challenges impacting individuals experiencing homelessness and make data-driven policy decisions aimed at preventing and ending homelessness in California. Work is underway on the first phase of the project: compiling standardized data from all local and regional Homeless Management Information Systems (HMIS).

HCFC Action Plan—Since the summer, HCFC has been developing its first-ever action plan. At its October 26 Council Meeting, the Council voted on and approved 15 Draft Council Action Plan Objectives. The full action plan is expected to be finalized by March 2021.



Homeless Housing, Assistance and Prevention Program (HHAP)—HHAP Round 1 was a \$650-million grant that provided local jurisdictions with funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges.

In November 2020, applications opened for Round 2 of the program (HHAP-2), with \$300 million in funding for local jurisdictions to build on efforts developed through previous rounds of HCFC funding. The HHAP-2 application incorporates new statutorily required goals around racial equity and performance metrics. Eligible applicants—California’s 44 CoCs, 58 counties, and 13 largest cities—must apply by January 23, 2021.

ECONOMIC DEVELOPMENT

COVID-19 Guidance Working closely with Agency entities and other state departments, BCSH helped develop guidance documents that would allow California businesses to reopen safely during the pandemic. The guidance allowed personal care services to operate outdoors and indoors when COVID-19 cases were not elevated. It also allowed restaurants to operate with certain precautionary measures.

Small Business Relief—On November 30, Governor Newsom authorized new tax relief and grants to businesses impacted by COVID-19, which included \$500 million for a new COVID-19 relief grant for small businesses, and increased funding for the California Rebuilding Fund. BCSH partnered with the Governor’s Office of Business and Economic Development (GO-Biz) to help spread the word. A toolkit containing social media messages, listserv, and website alert messages was provided to licensing boards to share. Posted social media messages regarding the relief have generated an estimated 2,230 views across Facebook, Twitter, and Instagram.

EQUITY AND INCLUSION

Strategic Growth Council Resolution—As a member of the SGC, Secretary Castro Ramírez voted to pass a resolution on August 26, 2020, committing the Council and BCSH as a member agency to four key actions:

- Integrating racial equity into Council leadership, operations, programs, policies, and practices;
- Identifying and implementing concrete and measurable actions to achieve racial equity, and to report on the progress of the Council as a whole, as well as that of each member agency;
- Working with state boards, departments, and offices to align and advance the Council’s commitment to racial equity;
- Using public Council meetings as a forum to share racial equity actions, milestones, and best practices, and to actively engage communities and stakeholders to gather public input on the topics.

Racial Equity Work—In 2020, BCSH continued to build and learn together through a speaker’s series for Agency and Department leadership titled, “Conversations on Racial Equity.” Speakers included national experts in policy, equity and implicit bias. Notable work includes the following:

- Approximately 470 Agency and department staff participated in Government Operations Agency’s Implicit Bias Training on September 1, 2020.
- The Department of Alcohol Beverage Control (ABC) accelerated training in fair and impartial policing and implicit bias awareness.
- During a fall council meeting, HCFC facilitated a discussion relating to racial disparities among people experiencing homelessness and two presentations from local organizations that are responding to racial disparities within their respective local homelessness systems.
- The Department of Financial Protection and Innovation has named a Special Counsel on Diversity, Equity and Inclusion.
- The Department of Housing & Community Development continues to implement their racial equity action plan based on their previous participation in the Government Alliance on Racial Equity (GARE).
- CalHFA and CCAP are currently participating in the Capitol Collaborative on Race & Equity (CCORE) where they will plan for, and implement activities that embed racial equity approaches into institutional culture, policies, and practices.



DEPARTMENT INITIATIVES

Agency entities have been diligently working all year long. The COVID-19 pandemic created an opportunity for departments to leverage their problem solving expertise and think innovatively to continue providing services and conduct business during the pandemic. While there are many accomplishments to list, here are brief snapshots of some of the accomplishments by entities under BCSH.

ALCOHOLIC BEVERAGE CONTROL

In early July, the California Governor's Office of Emergency Services created a COVID-19 enforcement task force consisting of 10 different governmental agencies, including the Labor Commissioner, Alcoholic Beverage Control (ABC), the California Division of Occupational Safety and Health (Cal/OSHA), and the Department of Consumer Affairs. Many of the agencies focused on educating licensees on the public health orders when conducting site visits. Since July 1, ABC has made 113,777 site visits to ensure that bars and restaurants are complying with local and state

public health orders. ABC agents have issued a total of 150 citations for non-compliance.

In response to the COVID-19 pandemic, ABC has provided regulatory relief to the industry including a 30-day extension on annual license renewal fees and late renewal penalty fees, and temporarily suspending enforcement legal prohibitions including deliveries to consumers, free delivery, expansion of licensed footprint, and sales of alcoholic beverages to-go. These suspensions allowed ABC licenses to continue operations safely and remain in business during the pandemic.

ALCOHOLIC BEVERAGE CONTROL APPEALS BOARD

In 2020, the Alcoholic Beverage Control Appeals Board was able to achieve their goal of reducing the average appeal timeframe. This was achieved through process efficiencies and streamlined internal and external communication. Improving the average timeframe of appeals by two months brings prompt resolution and due process to licensees and the public.

CALIFORNIA HORSE RACING BOARD

Throughout the year, CHRB implemented enhanced safety reforms including severely restricting the use of riding crop in racing and training. In addition, CHRB passed important medication regulations; rules relating to shockwave therapy, training, and veterinary records; and required workouts for



at-risk horses prior to entry and treating workouts the same as races from a regulatory standpoint. A newly adopted regulation by CHRB would allow it to close racetracks on an emergency basis, and expand the entry panel to review horses entered to race. CHRB also benefitted from the passage and signing of two important pieces of legislation: SB 800 and AB 1974.

CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Addressing homelessness took on a new urgency amid the COVID-19 pandemic, and the launch of **Homekey** allowed local public agencies to purchase motels and a broad range of other housing types in order to increase their community's ability to respond to homelessness and the COVID-19 pandemic. Homekey has been a critical response and resource for those most impacted, providing \$846 million in funding to rapidly sustain and expand permanent housing options for people experiencing homelessness or at risk of homelessness. HCD awarded 94 projects, which will create nearly 6,100 units.

HCD moved quickly to launch the program under an unprecedented rapid timeline by solidifying partnerships with state agencies to scale technical assistance capacity, coordinating with external stakeholders to leverage expertise, and surveying potential applicants to assess needs, challenges, and opportunities. For example, HCD's **Office of Migrant Services** coordinated with agencies to distribute face masks to farmworkers and their families, securing more than 22,000 masks. HCD also offered relief options to property managers and owners of HCD-funded properties that were experiencing cash flow shortages due to decreased

rental revenue caused by renters' inability to pay as a result of the COVID-19.

During the 2019-20 fiscal year, HCD also issued the second round of CalHome funding to counties affected by 2017 and 2018 wildfires, awarding approximately \$100 million to 12 counties throughout California. In order to meet the needs of those affected by the 2017 and 2018 disasters, HCD expanded the eligible activities in the second round of funding to include first-time homebuyer mortgage assistance, owner-occupied rehabilitation assistance, technical assistance for self-help housing projects, technical assistance for shared housing programs, and homeownership project development. HCD also made significant progress in coordinating with **tribal nations** through AB 1010, which among other things reconstituted the California Indian Assistance Program. To date, HCD has completed a tribal survey to identify needs, interest, and experience with their programs and thirty-one tribes responded and indicated that new

“Homekey will change lives for the better in San Diego. Homekey will allow us to transform two hotels’ rooms into more than 330 new apartments, housing more than 400 homeless San Diegans, and will include the supportive services that are so important in helping our residents get back on their feet.”—Rick Gentry, President and CEO of the San Diego Housing Commission

housing and upgrades to existing housing were among the top housing related needs.

In total, HCD administered 28 financial assistance programs and issued 25 notices of funding availability (NOFAs) that awarded 958 grants and loans, totaling more than \$2.5 billion to city and county government agencies, developers, homelessness service providers, community organizations, and small businesses. These awards are projected to preserve 16,481 housing units, rehabilitate 986 substandard housing units, and create 19,471 new housing units. They will also provide supportive services in 4,584 affordable housing developments to protect California's most vulnerable people, accelerate the production of more than 600,000 homes, and create or

rehabilitate 342 migrant farmworker seasonal rental housing units. Additionally, California's public-private partnership model for affordable development meant that HCD grants and loans spurred economic development with more than \$8.9 million in additional federal, local, and private funds.

CALIFORNIA HOUSING FINANCE AGENCY

The California Housing Finance Agency has continued to use its loan programs through public-private partnerships to help low- and moderate-income California residents find a place to call home. CalHFA's first mortgages and down payment assistance helped 13,000 California homebuyers, and its multifamily loans will create or preserve another 3,500 rental affordable units.

All of this was done with an eye on fair housing and racial equity, as 67% of the down payment assistance recipients were people of color. Additionally, CalHFA is preparing to launch its Black Homeownership initiative, and used hundreds of hours of staff time to assist the California Debt Limit Allocation Committee in its yearlong regulatory reform effort to align with state priorities including housing equity.

The CalHFA multifamily division's Mixed-Income Program (MIP) won a national award in October. In recognizing CalHFA, the National Council of State Housing Agencies (NCSHA) praised MIP's streamlined financing model that produces more housing in less time and with less public subsidy. The program helps further the state's fair housing goals as MIP projects have 84% fewer units in areas of concentrated poverty. To date, CalHFA has used \$131 million in MIP loans to help thousands of California families at a mix of income levels from 30% to 120% of the Area Median Income.

When COVID-19 hit, CalHFA quickly set up a teleworking system that now allows 87% of staff to work from home with no interruption to operations. CalHFA also immediately stood up a Hardship Request Procedure to help multifamily partners, and accelerated the drafting of a Tenant Grievance Process.

CalHFA has continued to develop innovative loan programs, including in the Accessory Dwelling Unit space where its pilot financing program saw the first unit begin construction in December. CalHFA also launched the state's first Bond Recycling Program. Made possible through a partnership with Apple, the program allows CalHFA to reuse tax-exempt bonds to provide low-cost financing to more affordable housing projects without using any of California's oversubscribed yearly bond cap.



Using National Mortgage Settlement funds allocated through the 2020-21 State Budget to help landlords, homeowners, and renters who are facing financial hardship, CalHFA in December initiated a program to support U.S. Department of Housing and Urban Development-certified housing counselors in providing free counseling services to families across the state who are facing default, eviction or housing insecurity. The remaining funds will be provided as mortgage assistance to struggling small landlords of properties up to four units.

CANNABIS CONTROL APPEALS PANEL

In October, the Panel began the process for the development of an online portal for appeal requests on the Panel's website. The portal would be fully integrated with the Panel's case management system and would allow the appellant to create an account and submit administrative records electronically. The portal will allow for quicker processing time for intake of appeals. The portal is expected to be available in early 2021.

DEPARTMENT OF CONSUMER AFFAIRS

On March 30, Governor Gavin Newsom issued Executive Order N-39-20, which authorized DCA to waive certain professional licensing requirements and amend scopes of practice and accompanying regulations for the duration of the declared state of emergency pertaining to the COVID-19 pandemic. Exercising the authority of the executive order, waivers were put in place to ensure health care practitioners could continue to provide needed care to patients affected by COVID-19. As of December 17, 102 waivers and extensions were issued under the terms of the executive order serving California consumers and expanding California's health care workforce.

In September, DCA launched Cohort 1 of its Business Modernization Plan (Biz Mod), delivering even more online services to licensees and consumers. Biz Mod is DCA's new, business driven approach to implementing information technology solutions to improve services to consumers quickly with low risk to the board/bureau and its resources. Additional automation including online services for more license types, expanded online complaint submission, and detailed enforcement tracking will be available early next year.

BUREAU OF CANNABIS CONTROL

In an effort to improve access to licensing and simplify regulatory oversight of commercial cannabis activity, the Administration announced the consolidation of the three licensing entities that are currently housed at the Bureau of Cannabis Control, the Department of Food and Agriculture, and the Department of Public Health into a single Department of Cannabis Control by July 2021, subject to approval by the Legislature. Establishment of a stand-alone department with an enforcement arm will centralize and align critical areas to build a successful legal cannabis market by creating a single point of contact for cannabis licensees and local governments. The Bureau of Cannabis Control has been working with BCSH and the Administration on this plan.

In November, the Bureau of Cannabis Control (Bureau) announced the awarding of \$29,950,494 in public university research grant funding to universities across California. The research conducted through these public university grants will provide critical information for evaluating our legal cannabis system and its impacts. In total, the Bureau received more than 100 applications for grant funds up to \$2 million per proposal.

DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

The newly renamed California Department of Financial Protection and Innovation (DFPI) is moving swiftly to implement the new California Consumer Financial Protection Law, which was signed into law September by Governor Gavin Newsom. The new law gives DFPI expanded powers to better protect consumers through increased oversight, foster financial tech innovation by decreasing regulatory hurdles that hinder responsible innovations, and increase education and outreach for vulnerable groups. Starting in 2021, DFPI will oversee previously unregulated financial products and services, increasing the Department's capacity to respond to financial fraud and scams.

The new law creates an Office of Financial Technology Innovation, which will engage with new industries and consumer advocates to encourage consumer-friendly innovation and job creation in California. A new Division of Consumer Financial Protection will feature a market monitoring and research arm to keep up with emerging financial products. Consumer outreach will be expanded to target vulnerable populations such as students, new Californians, military servicemembers, and senior citizens.

DFPI has developed a robust implementation plan that includes meeting with consumer and industry stakeholders, training staff on new financial products and services, and coordinating an education and outreach campaign. The department's expansion includes 90 additional employees to be hired over three years, representing a 13% increase in staffing.

In May, DFPI announced the launch of a new \$4 million grant program to support financial education and empowerment programs. The CalMoneySmart grant program will award \$1 million a year in competitive grants of up to \$100,000 to nonprofits providing free financial education to help unbanked and underbanked consumers access financial services, establish or improve their credit, increase savings, or reduce debt. In September, DFPI awarded nearly \$1 million in CalMoneySmart grants to 12 nonprofit organizations across 17 counties.

DFPI has also launched several diversity, equity, and inclusion initiatives to promote hiring and retention practices that allow the department to better represent and serve all Californians. To date, DFPI has established its first-ever Black Employee Resource Group, a Diversity, Equity and Inclusion Advisory Council to advise executive leadership, and hosted potentially the largest town hall in state government on these issues featuring a moderated discussion with Commissioner Alvarez.





DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING

In 2020, the California Department of Fair Employment and Housing (DFEH) launched free, online anti-sexual harassment trainings for supervisory and non-supervisory employees. In just over six months, more than 125,000 Californians have taken the trainings. Employers may use DFEH's trainings to meet their obligation to provide training and education regarding sexual harassment prevention to all supervisory and non-supervisory employees in California by January 1, 2021 (Senate Bill 778). The trainings are available in English, Korean, Spanish, Simplified Chinese, Tagalog, and Vietnamese.

DFEH litigated a fair housing case where a Bay Area landlord agreed to pay \$250,000 to resolve claims that the landlord threatened to report tenants to immigration authorities if they did not move out. It is unlawful for landlords to report or threaten to report their tenants to immigration authorities. All Californians have the right to fair housing regardless of their immigration status or national origin.

DFEH filed a historic lawsuit alleging that managers at Cisco's San Jose headquarters campus harassed, discriminated, and retaliated against an engineer because he is Dalit Indian, a population once known as the "untouchables" under the caste system. A 2018 survey of South Asians in the U.S. found that

67% of Dalits reported being treated unfairly at their American workplaces. The lawsuit sparked widespread calls for U.S. employers, particularly those in Silicon Valley, to address anti-Dalit discrimination and bias in their workplaces.

DEPARTMENT OF REAL ESTATE

The California Department of Real Estate (DRE) completed a major revision to the widely used resource guidebook *California Tenants—A Guide to Residential Tenants' and Landlords' Rights and Responsibilities*. The Department of Consumer Affairs last published the guidebook in 2012. Since then, the Legislature passed, and the governor signed, many new laws addressing landlords and tenants. Recognizing the need to update this guidebook, DRE revised it to reflect the addition of new laws, including the Tenant Protection Act of 2019 (AB 1482) and the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act (AB 3088), which includes the COVID-19 Tenant Relief Act of 2020. These updates are critically important to landlords and tenants, especially during this time of economic uncertainty.



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LEGISLATION

Each legislative session, numerous bills are introduced that impact our Agency and our entities. This year, 66 bills were signed in our subject areas. Here is a sampling of some of the new laws enacted.

AB 434 (Daly) Housing financing programs: uniform procedures. This bill aligns six rental housing programs with the Multifamily Housing Program (MHP) to enable the state Department of Housing and Community Development (HCD) to implement a single application and scoring system for making coordinated awards under all seven programs, starting on January 1, 2022.

AB 890 (Wood) Nurse practitioners: scope of practice: practice without standardized procedures. This bill expands the scope of practice for nurse practitioners, authorizing them to practice without physician supervision after meeting specified requirements, such as completing a transition to practice program to be developed by the Board of Registered Nursing. It also allows nurse practitioners to practice without standardized procedures upon enactment in certain collaborative healthcare settings, and outside of those settings after January 1, 2023.



AB 1864 (Limón) Financial institutions: regulation: Department of Financial Protection and Innovation. This bill renames the “Department of Business Oversight” as the “Department of Financial Protection and Innovation”, and gives the Department expanded enforcement powers to protect California consumers from pandemic-inspired scams, promote innovation, clarify regulatory hurdles for emerging products, and increase education and outreach for vulnerable groups.

AB 1974 (Gray) Horse racing: welfare and safety of racehorses and jockeys. This bill makes various changes to Horse Racing Law to further protect and advance the health, safety, and welfare of racehorses in California. It redirects penalty revenues and occupational license fees imposed



pursuant to current law to horse welfare and safety measures, such as contracting additional veterinarians and safety stewards. The bill also codifies various existing regulations of the California Horse Racing Board related to horse welfare and safety.

AB 3088 (Chiu) Tenancy: rental payment default: mortgage forbearance: state of emergency: COVID-19. The Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (AB 3088) establishes a temporary eviction moratorium through January 31, 2021, and outlines rights and responsibilities for tenants and landlords due to the COVID-19 pandemic. The law applies to all tenants, regardless of their immigration status or whether they have a formal lease.

SB 800 (Dodd) Horse racing: veterinary medical records: racehorse fatalities: equine medication. This bill makes various changes to Horse Racing Law, including: 1) authorizing veterinarians to make available the entire medical records of racehorses to specified parties involved in horse racing; 2) requiring the California Horse Racing Board to publish on a weekly basis all horse fatalities that

occur within a licensed facility; and 3) requiring the Board to post results of nonconfidential official racehorse drug test results within five business days of test confirmation.

SB 1237 (Dodd) Nurse-midwives: scope of practice. This bill expands the scope of practice for certified nurse-midwives and allows them to attend low-risk births without physician supervision. Additionally, nurse-midwives will be authorized to oversee some more complicated births subject to policies and protocols developed and mutually agreed to by a physician and nurse-midwife. If practicing outside of a hospital, nurse-midwives will be required to make specified disclosures to the patient and report any deaths or transfers to a hospital to the Department of Public Health.

SB 1383 (Jackson) Unlawful employment practice: family leave. This bill expands the California Family Rights Act (CFRA) family leave protections to small employers, enabling millions more Californians to use unpaid job protected leave to care for a domestic partner, grandparent, grandchild, sibling, or parent-in-law who has a serious health condition.



**** Some photos were taken before the COVID-19 pandemic.**

