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The Department of Real Estate

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I am proud to present the Strategic Plan for the Department of Real Estate (DRE) for July 2019 – June 2023. This plan was developed over the course of fiscal year 2018-2019 following thoughtful input from DRE employees and stakeholders and much consideration, deliberation and spirited discussion. Thank you - the input and efforts of all are truly appreciated!

2019 marks the 100th year anniversary of the Realty Act that created the Real Estate Department in California, and represents one hundred years of continuous regulation of real estate activities in our state. Today, DRE is looked to by other real estate regulators as a national leader in real estate oversight. This plan covers each of our program areas and is a means by which DRE can become even more responsive and effective in its consumer protection efforts.

As a newly-reestablished department, DRE will diligently follow and undertake the concrete actions laid out in this plan to build upon the successes of the past. The objectives and associated action plans in this Strategic Plan will guide the DRE in fulfilling our mandates – the most important being protection of the public – and achieving our mission to safeguard and promote the public interests in real estate matters through licensure, regulation, education and enforcement. These goals and action items will enable best use of the resources entrusted to the department to achieve our vision to be the Champion of Public Protection in Real Estate.

I am excited about our new strategic plan and look forward to the active engagement of DRE personnel to follow this course to advance our vision. Achievement will take methodical planning, organization and the engagement of management and staff. I am confident that our dedicated employees will succeed in fulfilling these objectives, and assure that we will continue to improve on our 100 years of history.

Daniel J. Sandri
Acting Real Estate Commissioner
Department of Real Estate
About the California Department of Real Estate

The California Legislature enacted the nation's first real estate license law in 1917. Providing for the licensing and regulation of real estate licensees, this law continues to serve as a model for similar legislation in many other states. The California Department of Real Estate (DRE) continues to enjoy a nationwide reputation as a leader in real estate licensing and regulation.

The revenue necessary to operate DRE is derived from fees charged for real estate licenses, subdivision public reports, and various other permits issued by the Department. Employees operating from District Offices in five cities (Sacramento, Fresno, Los Angeles, Oakland, and San Diego) carry out the Department's responsibilities as mandated by the Real Estate Law and the Subdivided Lands Law.

The Real Estate Commissioner is appointed by the Governor, and serves as the chief executive of the Department of Real Estate. To facilitate the administration and enforcement of the Real Estate Law and the Subdivided Lands Law, the Commissioner is empowered by law to issue regulations. Known as the Regulations of the Real Estate Commissioner, these have the force and effect of law.

It is the Commissioner's responsibility to enforce these laws in a manner which achieves maximum protection for real estate consumers. In administering the laws and regulations, the Commissioner exercises judgment impartially, with fairness to both the consumer and the industry.
Mission, Vision, and Values of the Department of Real Estate

Mission
To safeguard and promote the public interests in real estate matters through licensure, regulation, education and enforcement.

Vision
To be the champion for public protection in real estate.

Values
Excellence
Professionalism
Knowledge
Communication
Caring
Accomplishments

- Enhancements to the Department's eLicensing System
- Implementation of the Subdivision Online Public Report Application System (SOPRAS)
- New Virtual Call Center phone system
- Implementation of Senate Bill 173 - Return to Department status. Rebuilding various programs within the Department such as Fiscal, Human Resources, Legal, Communications, and Publications. Provided a seamless transition between staff and the public.
- Increased collaboration between Legal, Enforcement, and Audits Programs.
- Improved outreach to licensees through the Speakers Bureau.
- Improved relationships with other state agencies.
- Improved communication with applicants with email notifications regarding issuance of license, renewals, and examination self-scheduling.
- Increased Enforcement program field work.
- The reinstatement of the Education and Research program and the Recovery Account program.
- Development of professional publications to disseminate to stakeholders and website.
Strategic Goals Areas

Licensing

Enforcement

Legal

Audits

Subdivisions

Information Technology Services

Communication & Publications

Legislation

Organizational Effectiveness
Licensing

The DRE Licensing Program oversees the issuance and renewal of licenses for Real Estate Brokers and Salespersons after ensuring applicants have satisfied the qualifications for licensure, and issues endorsements to licensees who have satisfied the requirements to obtain a Mortgage Loan Originator License Endorsement.

Within Licensing, the Education & Research Program reviews and approves pre-licensure and continuing education courses offered by private schools. The Education & Research Program also oversees the Education and Research Fund for the advancement of education and research in the field of real estate and for the validation of examinations for licensure.

1.1 Disseminate information to consumers on the Licensing examination, application, and renewal processes to increase transparency and improve understanding.

1.2 Increase licensing staffing to improve customer service and decrease call wait times.

1.3 Increase online services for licensees and applicants to reduce deficiencies and calls to the Licensing Program.

1.4 Evaluate the feasibility of expanding examination locations to increase accessibility for applicants.
Enforcement

The Enforcement Program supports DRE's consumer protection effort by conducting investigations, fostering complaint resolution, providing mortgage loan/broker escrow oversight, conducting background investigations on license applicants as well as licensees, and educating consumers, licensees and real estate stakeholders.

Within Enforcement, the Mortgage Loan Activities (MLA) unit primarily:

(i) Conducts investigations of licensees who are involved in mortgage loan activities and performs background investigations of mortgage loan originator license endorsement applicants; and
(ii) Reviews, tracks, and seeks appropriate remedies for a licensee’s failure to submit threshold, multi-lender, and Nationwide Multistate Lending System and Registry reports.

2.1 Enhance and increase training opportunities for new investigators so they are best prepared to succeed in their career.

2.2 Identify and provide continuous and consistent training of staff to increase knowledge base, skills, retention, confidence, and effectiveness of investigations.

2.3 Increase internal communication between staff and management throughout the Enforcement Program to improve consistency, operational effectiveness, and transparency.

2.4 Improve communication, timeliness, and responsiveness to inquiries from stakeholders, complainants, respondents, and members of the public.

2.5 Explore and develop investigative working papers to conduct more efficient and effective investigations.
Legal

The DRE Legal Program administratively prosecutes violations of the Real Estate Law, the Subdivided Lands Act (SLA), and the Vacation Ownership and Time-share Act (VOTA); prepares relevant legal documents; advises other DRE Programs and managers; and provides legal interpretations of relevant laws, statutes, and regulations to DRE staff and appropriate outside entities.

Within the Legal Program, the Consumer Recovery Account (CRA) Unit is responsible for providing victims of intentional fraud, intentional misrepresentation, and/or conversion of trust funds perpetrated by a DRE licensee while engaged in performing licensed acts, with compensation (up to statutory limits) for losses and damages when the legal requirements are met to qualify for payment.

3.1 Collaborate with Enforcement and Audit Programs staff as large investigations are initiated to produce stronger legal cases and improve process times.

3.2 Evaluate the structure of the Legal Program to assure ongoing and continued delivery of high-quality legal services.

3.3 Create a Legal training library for staff in order to provide an improved onboarding experience to newly hired Legal staff.

3.4 Seek input from staff on amendments to existing or new regulatory proposals in order to update regulations to bring them into conformity with the statutes.
Audits

The Audits Program protects consumers through financial compliance audits of real estate licensees (and, when necessary, persons who are unlicensed, but who are performing licensed activities), and subdivision and timeshare developments.

4.1 Identify and provide continuous and consistent training for staff in order to increase knowledge base, skills, retention, confidence, and effectiveness of auditors.

4.2 Collaborate with Enforcement Program staff for opportunities to improve communication in order to optimize consumer protection and effective case management.

4.3 Increase Audits staff in order to optimize audit case management and efficiency.

4.4 Update working papers technologically to provide an improved work product and enhanced customer service.
Subdivisions

The DRE Subdivisions Program is responsible for enforcing the Subdivided Lands Act (SLA) for the protection of purchasers of residential units in subdivisions through verification of standards and appropriate disclosures of information to prospective subdivision homebuyers. In addition, the Program is responsible for enforcing the Vacation Ownership and Timeshare Act (VOTA).

5.1 Review and evaluate the process by which we identify violations in order to expedite and improve the referral process with the Enforcement Program.

5.2 Complete an Education and Research Project to enhance the public report disclosure format.

5.3 Complete an Education and Research Project to develop an online education course for Homeowner Association (HOA) Boards of Directors pursuant to Civil Code 5400.

5.4 Initiate a contract to scan existing subdivision files to be in electronic format for efficiency purposes.

5.5 Provide budget review training for Subdivision Program staff in order to enhance understanding of the budgetary process and disclosure concerns.

5.6 Increase internal communication throughout the Subdivision Program to improve consistency, operational effectiveness, and transparency.
Information Technology Services (ITS)

Information Technology Services (ITS) primarily provides hardware and software solutions to:

(i) Facilitate DRE's operations;
(ii) Access, process, track, and secure data; and
(iii) Maintain and enhance DRE's Enterprise Information System (EIS)

The ITS Program also maintains DRE's Web presence.

6.1 Research the feasibility of hiring additional ITS staff in order to provide added services to staff and consumers.

6.2 Develop an online tracking system for enhancement and security requests to improve communication between the requestor and ITS staff.

6.3 Enhance the PowerBuilder Platform to modernize and improve internal use of Enterprise Information System (EIS) software.

6.4 Review security settings for employees in order to provide staff the accessibility to effectively complete their responsibilities and for information security.

6.5 Explore enhanced field communication methods via web-based platforms to improve remote field investigations.
Communication and Publications

The Communications/Publications Program handles all publication materials (including Real Estate Bulletins, advisories and brochures), website content, and is responsible for the review of changes to, and updating of, the Real Estate Law Book, Real Estate Reference Book and Department of Real Estate forms. This program also coordinates records management for the Department and responds to media requests.

7.1 Evaluate and develop additional methods of communication with consumers in order to improve education regarding potential dangers in the real estate market.

7.2 Review and enhance content on the DRE website to improve communication and information disseminated to all stakeholders.

7.3 Review and revise all publications to provide accurate information to all stakeholders.
Legislation
The Legislation Program reviews and analyzes all real estate/mortgage loan and subdivision related legislation that can affect California consumers and licensees, as well as legislation that could potentially affect the Department of Real Estate and the State of California. This includes gathering fiscal impact information from appropriate programs within the department to be able to provide enrolled bill reports to Agency. The Legislation Program provides technical input to legislators and stakeholders, when requested, and prepares regulation packages for Departmental, Agency, Office of Administrative Law and public review.

8.1 Organize an archive of legislative and regulatory records to provide researchable history for future Department needs.

8.2 Monitor and disseminate legislation during the bill analysis phase that may impact the Department in order to allow for executive managers to stay informed about possible changes.

8.3 Educate staff on signed bills that may impact the Department in order to stay current and informed.

8.4 Seek input from staff on amendments or new legislative proposals in order to update statutes to achieve the Department’s policy goals.
Organizational Effectiveness

DRE's Organizational Effectiveness refers to:

(i) Meeting mandates and core functions in a manner which maximizes consumer protection;

(ii) Innovatively enhancing the quality and timeliness of the work that is performed and delivery of assistance, services, information to DRE staff, programs, and stakeholders;

(iii) Seeking to continually become a more effective organization. DRE will endeavor to be guided by its mission and vision, and to be driven by the Bureau’s core values of excellence, professionalism, knowledge, communication, and caring.

9.1 Update and/or develop desk manuals, procedures manuals, and training manuals in all areas of the Department in order to maintain consistency and continuity in all program areas.

9.2 Develop and implement a succession planning module to prepare for the future of the Department and comply with CalHR mandates.

9.3 Develop and implement a Department policy manual to inform staff, maintain consistency, and fulfill mandate.

9.4 Develop and implement a new employee orientation program to improve the onboarding process and enhance workplace experience.

9.5 Improve the dissemination of information internally to maintain consistency throughout the Department.
Strategic Planning Methodology

To understand the environment in which the Department operates and identify factors that could impact the Department’s success, the California Department of Consumer Affairs’ SOLID Training and Planning conducted an environmental scan of the internal and external environments by collecting information through the following methods:

- Interview conducted with Acting Real Estate Commissioner during the month of March 2019. Interview assessed strengths and weaknesses in the Department as well as discussion of opportunities and changes that might impact the DRE.
- Two focus groups were held with executive level management in March 2019 to identify strengths and weaknesses of the Department from an internal perspective.
- Two online surveys were developed and sent in February 2019. One survey was sent to Department staff where out of 350 staff members, 162 participated in the survey. Second survey was sent to 8,338 stakeholders, where 187 individuals participated in the survey.

The themes and trends identified from the environmental scan were discussed by the Acting Real Estate Commissioner and Assistant Commissioners, and program managers during the Strategic planning sessions facilitated by SOLID Training and Planning on June 3-4, 2019. This information guided the Department in the development of the objectives as outlined in this 2019-2023 strategic plan.
This strategic plan is based on stakeholder information and discussions facilitated by SOLID for the Department of Real Estate in June 2019. Subsequent amendments may have been made after Department adoption of this plan.