

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, February 3, 2023

PUBLIC NOTICE

A PUBLIC MEETING OF THE GOVERNING BOARD OF THE CALIFORNIA RESIDENTIAL MITIGATION PROGRAM

NOTICE IS HEREBY GIVEN that the Governing Board of the **California Residential Mitigation Program (CRMP)** will **conduct a remote teleconference meeting** on Tuesday, February 14, 2023, at 1:00 pm PST. There will be no physical meeting location. The Bagley-Keene Open Meeting Act applies generally to meetings of the Governing Board, and this meeting is open to the public—public participation, comments, and questions will be welcome for each agenda item. All items are appropriate for action if the Governing Board wishes to take action. Agenda items may be taken out of order.

This meeting will be conducted by teleconference only as authorized under Government Code section 11133 (SB 189, June 30, 2022). None of the locations from which Governing Board members will participate will be open to the public. All members of the public shall have the right to observe the meeting (except for any closed session items) and offer comment at this public meeting as described in this Notice.

DATE: Tuesday, February 14, 2023

TIME: 1:00 p.m.

TEAMS ACCESS TO MEETING: *

By Computer (Open the Microsoft Teams App, or navigate to [Join a Microsoft Teams Meeting by ID | Microsoft Teams](#)):

Enter Meeting ID: 257 944 403 637

Passcode: g6uP5i

Direct Link: [Click here to join the meeting](#)

Dial-in-Number: +1 323-886-4439 United States, Los Angeles (Toll)
Enter Conference ID Number: 713 257 015#

Public Participation: The telephone lines of members of the public who dial into the meeting to observe and comment will initially be muted to prevent background noise from disrupting the meeting. Public phone lines will be unmuted during all portions of the meeting that are appropriate for public comment, to allow members of the public to comment. Please see additional instructions below regarding Public Participation Procedures.

*CRMP may be unable to control unforeseen technical difficulties of the platform's audio feed of this meeting; if such technical difficulties occur, CRMP will take reasonable actions to resolve the technical difficulties to avoid disruption to public participation in the future.

PUBLIC PARTICIPATION PROCEDURES: All members of the public shall have the right to observe the meeting and offer comment during this meeting as outlined below. The acting Chair of the Governing Board will indicate when a portion of the meeting is to be opened for public comment. As indicated below, please register in order to provide comment. When it is your turn to comment, unmute your line, introduce yourself and proceed with your comment. The Chair of the meeting reserves the right to limit the time for comment. Members of the public should be prepared to complete their comments within approximately three (3) minutes, but more or less time may be allotted by the Chair.

- **If you wish to provide a public comment, please register with Maura White via email at mwhite@calquake.com at least one hour prior to the start of the meeting to ensure your participation.**
 - Any submitted email requesting to speak during public comment should include reference in the subject line of the email referencing this meeting, and the body of the email should specify if the comment is or is not regarding a specific agenda item.

ACCESSIBILITY ACCOMMODATIONS: Pursuant to the Americans with Disabilities Act, persons who need assistance in order to participate in this meeting should, prior to the meeting, contact Maura White via email at mwhite@calquake.com. We would appreciate hearing from you at least five (5) days before the meeting date to best allow us to meet your needs.

AGENDA:

1. Call to order and member roll call:

Laurie Johnson, Chair, CRMP Governing Board
Lori Nezhura, Vice Chair Appointee, Deputy Director, Cal OES
Jennifer Bollinger, Chief Counsel, Cal OES
Tom Welsh, CEA Appointee, CRMP Governing Board

Establishment of a quorum

2. Consideration and approval of the minutes of the December 12, 2022, CRMP Governing Board meeting.
3. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of December 31, 2022.
4. CRMP Executive Director Janiele Maffei will present her executive report.
5. CRMP Managing Director Jennifer Hogan will present the CRMP Mitigation (Earthquake Brace + Bolt) update.
6. Professor Henry Burton will present findings from a study that investigated the extent to which the distribution of cripple wall retrofits in residential buildings (primarily one- and

two-family units) located within the City of Los Angeles, varies based on the sociodemographics of the affected populations. Burton is Associate Professor of Civil and Environmental Engineering at UCLA.

7. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
8. Adjournment.

Inquiries/General Information:

Maura White

mwhite@calquake.com

To view this notice on the CRMP website, please visit www.quakeretrofits.com

* * * * *

Persons with disabilities may request special accommodations at this or any future CRMP Governing Board meeting or may request the accommodation necessary to receive agendas or materials prepared for its board meetings.

Please contact Maura White by email at mwhite@calquake.com. We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.

NOTE: You might have received this notice because your name, or that of your organization, appears on a public-notice list maintained by the California Earthquake Authority. If, in the future, you do not wish to receive public notices pertaining to the California Residential Mitigation Program, please send your request by email to info@californiarresidentialmitigationprogram.com.

CRMP Governing Board Memorandum

February 14, 2023

Agenda Item 2: Consideration and Approval of Board Minutes

Recommended Action: Review and approve Board minutes

Background:

Approval of Board minutes from December 12, 2022.

Recommendation:

Staff recommends approval of the Board teleconference minutes from December 12, 2022.



Draft Meeting Minutes
are not available.

Please see CRMP Governing
Board Meeting
Approved Minutes.

CRMP Governing Board Memorandum

February 14, 2023

Agenda Item 3: Treasurer's Financial Update

Recommended Action: No action required – information only

Background:

CRMP Treasurer, Ben Kirwan, will review the CRMP financial statements as of December 31, 2022.

Recommendation:

No action is necessary.

California Residential Mitigation Program
(CRMP)

FINANCIAL
REPORT

BOARD MEETING

Tuesday, February 14, 2023

California Residential Mitigation Program
Balance Sheet
As of December 31, 2022
Unaudited

Assets

Cash and cash equivalents	\$ 1,315,696
Accounts receivable	5,759,054
Prepaid expenses	<u>6,026</u>
Total assets	<u><u>7,080,776</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>167,248</u>
Total liabilities	<u>167,248</u>

Fund Balance:

Unassigned	<u>6,913,528</u>
Total fund balance	<u>6,913,528</u>
Total liabilities and fund balance	<u><u>\$ 7,080,776</u></u>

California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2022
Unaudited

Revenues:

Contributions from members	\$	2,000,000
Contributions from other governments		8,155,981
		8,155,981
Total revenues		10,155,981

Expenditures:

Administration and office expenses		2,787
Audit services		62,750
Board services		1,644
Grants to homeowners		7,783,096
Income verification		16,788
Inspection services		189,405
Insurance		56,079
IT administrative support		26,204
Legal services		68,874
Marketing services/Program Education		485,922
Program support		6,243
		6,243
Total expenditures		8,699,792

Net change in fund balance		1,456,189
----------------------------	--	-----------

Fund balance, beginning of year		5,457,339
		5,457,339

Fund balance, end of year	\$	6,913,528
		6,913,528

California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2022 Budget Year
as of December 31, 2022

	2022 Actual Revenues and Expenditures	Approved 2022 Budget	Variance \$	%
Revenue				
CEA Mitigation Fund Contribution ¹	\$ 2,000,000	\$ -	\$ 2,000,000	0.00%
FEMA - 4344 ²	3,261,742	3,600,000	(338,258)	-9.40%
FEMA - 4407 ESS ²	-	3,500,000	(3,500,000)	-100.00%
FEMA - 4407 EBB ²	2,936,160	3,000,000	(63,840)	-2.13%
FEMA - 4308 ³	1,958,079	-	1,958,079	0.00%
Total Revenue	\$ 10,155,981	\$ 10,100,000	\$ 55,981	0.55%
CRMP Administration Expenses				
Administration & Office	\$ 2,787	\$ 11,800	\$ 9,013	76.38%
Board Services	1,644	1,800	156	8.67%
Call Center	6,243	10,000	3,757	37.57%
EBB Marketing/Program Education	485,922	650,000	164,078	25.24%
Financial Audit	62,750	65,500	2,750	4.20%
Home Inspection Services	189,405	190,000	595	0.31%
Income Verification	16,788	-	(16,788)	0.00%
Insurance	56,079	28,200	(27,879)	-98.86%
Legal Services	68,874	50,000	(18,874)	-37.75%
Professional Due and Memberships	-	800	800	100.00%
Software/IT Support	26,204	54,600	28,396	52.01%
Travel	-	8,000	8,000	100.00%
Total Administration Expenses	916,696	1,070,700	154,004	14.38%
Grants to Homeowners				
Grants to Homeowners - FEMA 4344	3,261,742	3,600,000	338,258	9.40%
Grants to Homeowners - FEMA 4407 ESS	-	3,500,000	3,500,000	100.00%
Grants to Homeowners - FEMA 4407 EBB	2,936,160	3,000,000	63,840	2.13%
Grants to Homeowners - CRMP EBB	24,350	2,300,000	2,275,650	98.94%
Grants to Homeowners - FEMA 4308	1,560,844	-	(1,560,844)	0.00%
Total Grants to Homeowners	7,783,096	12,400,000	4,616,904	37.23%
Total Administrative and Grants to Homeowners	\$ 8,699,792	\$ 13,470,700	\$ 4,770,908	35.42%

¹ CEA Mitigation made a transfer of \$2 million in December 2022 to cover cash flow needs and various CRMP operating costs.

² FEMA revenue is direct reimbursement based, so revenue is adjusted monthly to match FEMA incentive payments paid.

³ CRMP was awarded an additional \$80 million for FEMA 4308 in March 2022. The updated grant provisions related to FEMA 4308 allow for reimbursement of \$3 million related to administrative costs of administering the \$80 million dollar grant. The bulk of the administrative costs are for salaries, which are a CEA Mitigation expenditure, and therefore not reimbursed to CRMP, and not included on this budget report. Requested reimbursements for CRMP directly incurred expenses (such as marketing) are included.

CRMP Governing Board Memorandum

February 14, 2023

Agenda Item 4: Executive Report by Executive Director Janiele Maffei

Recommended Action: No action required – information only

Background:

Executive Director Janiele Maffei will provide an update on the CRMP and CEA mitigation interests and projects.

Recommendation:

No action necessary.

CRMP Governing Board Memorandum

February 14, 2023

Agenda Item 5: California Residential Mitigation Program incentive program
(CRMP Earthquake Brace + Bolt)

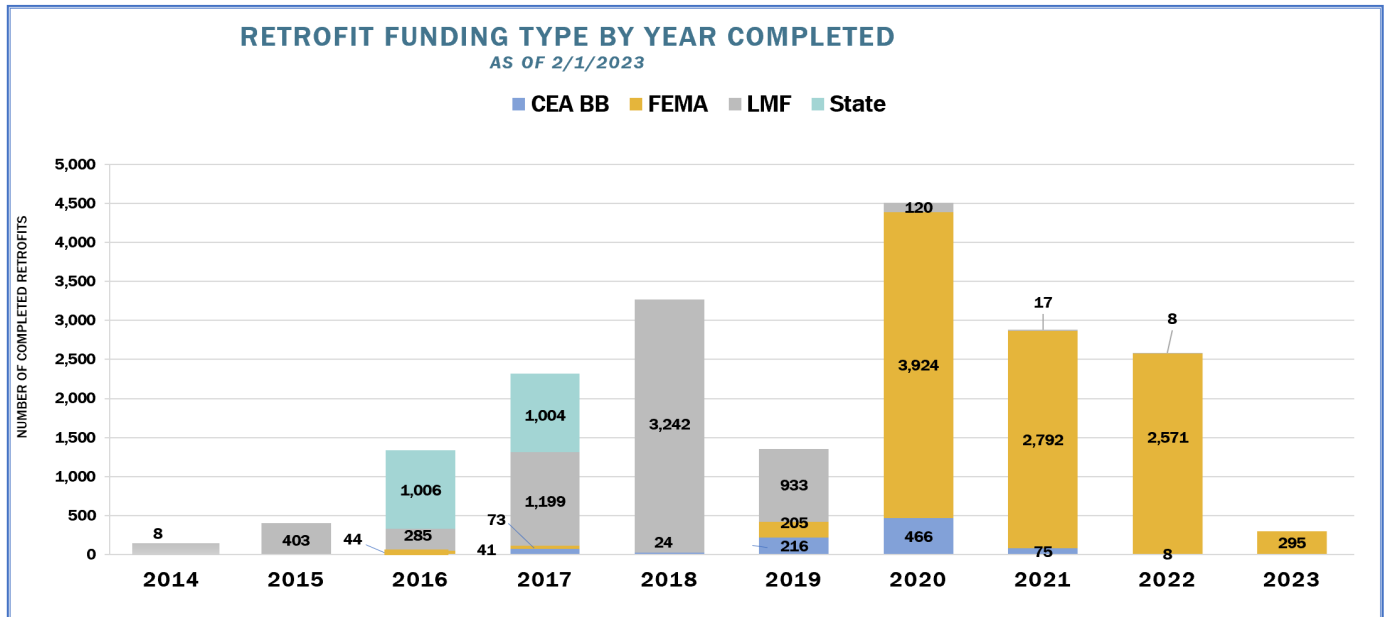
Recommended Action: No action required – information only

CRMP Earthquake Brace + Bolt Programs

Although the number of completed retrofits had started to slow because EBB has nearly completed all retrofits in the HMGP 4344 grant, overall, more than 18,956 have been completed. The funding for the HMGP 4407 EBB program has 1,666 grants available, of which 1,142 are completed, and 518 are in-process. All retrofits available in the initial HMGP 2019 DR-4308 grant (1,337) have been completed. CEA was awarded an additional \$80M under the HMGP 4308 grant and with the additional funding, the HMGP 2021 DR-4308 program has 21,072 grants available (18,043 main grants and 3,029 supplementary grants). There are 623 retrofits completed, 1,451 in-process, and an additional 3,650 brought into the program. There are 591 supplemental grant recipients in-process. 645 additional SG applicants were recently brought into the program. The remaining 22 waitlisted supplemental grant applicants were brought into the program on October 27, 2022. Our most recent registration just ended, with over 19,600 homeowners registering to participate. The CRMP-funded program, with 1,000 grants available, has 599 retrofits completed, 1 currently in-progress and no extensions. This program will remain open while there are FEMA-funded programs available to allow applicants who started work prior to approval an opportunity to receive a grant.

Earthquake Brace + Bolt Program 2/1/2023 CRMP and CEA by Program Cycle			
Program	Completed	In Progress	Status
2014-2018 EBB	7,598	N/A	Closed
FEMA Napa EBB	110	N/A	Closed
CEA BB	862	N/A	Closed
CRMP 2019 EBB	599	1	Open
FEMA – funded HMGP DR 4308, 4344, & 4407	9,787	1,971	Open
Total	18,956	1,972	N/A

Funding for retrofits have come from CEA for the CEA Brace + Bolt (CEA BB) Program for policyholders, which is now closed to new registrations; and the Cal OES-administered FEMA Hazard Mitigation Grant Program (HMGP), the Loss Mitigation Fund (LMF) and the State for the retrofits completed in the Earthquake Brace + Bolt Program (EBB).



EBB staff continue to be busy working from home since the last board meeting (December 13th – January 31st):

- 2,017 Incoming Calls (61 calls/day)
- No Outbound Calls this period
- 978 Emails Answered
- 407 Applications send to FEMA
- 659 Retrofits Completed

In addition to phone calls, emails and applications processed, staff continue to work with CEA IT to roll out the updated backend database system, enhancements for the supplemental grant initiative, bug fixes, and development of the Earthquake Soft-story program.

Future Funding Opportunities

CRMP continues to look beyond present funding sources—the primary source has been the CEA Earthquake Loss Mitigation Fund—for additional funding sources, including the Cal OES-administered FEMA *Hazard Mitigation Grant Program (HMGP)* and *Building Resilient Infrastructure and Communities (BRIC)* grants.

Current HMGP and BRIC applications (submitted and waitlisted) include requests for an additional \$261M in funding:

Cal OES/FEMA Grant Funding Applications			
Grant Program	Funding Request	Program Type	Status
HMGP DR 4308	\$84M	EBB	Approved—time extension to 4/1/23
HMGP DR 4344	\$20M	EBB	Approved—time extension to 10/19/23
HMGP DR 4407	\$5M	EBB	Approved
HMGP DR 4407	\$5M	ESS	Approved
HMGP DR 4431	\$3M	EBB	Waitlisted
HMGP DR 4434	\$3M	EBB	Waitlisted
HMGP DR 4558	\$20M	EBB	Submitted last RFI response on 11/4/21
HMGP DR 4569	\$50M	ESS	Waitlisted
HMGP DR 4558 Round II	\$50M	ESS	Waitlisted
HMGP DR 4569	\$20M	EBB	Waitlisted
2021 BRIC	\$20M	Multi-family ESS	Approved Round 1—8/22
2022 HMGP	\$20M	EBB	Submitted last RFI response on 7/7/22
2022 HMGP	\$50M	ESS	Submitted last RFI response on 7/1/22
2022 HMGP	\$5M	PrepareCA	Submitted last RFI response on 7/1/22
2022 BRIC	\$20M	Multi-family ESS	Submitted last RFI response on 12/16/22

EBB Program Contractors

Of the contractors on the EBB Directory (Directory), 391 have completed at least one retrofit – an increase of ten contractors since the last report. There is also an increase in the average number of retrofits completed per contractor on the directory since the last report, from 43 to 44. As contractors withdraw from the Directory, licenses are not renewed, or a contractor has not completed the training, a discrepancy between registered contractors and contractors on the Directory may occur. All current contractors have been contacted and encouraged to update the ZIP Codes in which they are willing to work.

Contractors in EBB Directory- Range of Retrofits Paid (as of 01/25/2023 COB)										
Paid Retrofits	0	1	2-5	6-10	11-20	21-49	50-99	100-399	400+	Total
17,232	760	117	99	53	34	33	23	20	12	1,151

Contractors with 1 or more paid retrofits:	391
Average Retrofits/Contractor:	44

Note: The number of completed retrofits is lower than total completed because it does not include retrofits completed by contractors not on the Directory. The CEA BB program did not require policyholders to use contractors on the Directory.

EBB Northern and Southern Regional Differences

Retrofit costs in Northern California have increased slightly since the last report, from \$5,558, which was comprised of retrofits completed in earlier grants, to \$6,169 and remain more expensive than Southern California. In Southern California, there was a slight decrease in the average cost from \$5,076 to \$5,042 in the 2021 program. The Executive Director will provide additional detail in her executive report and future data.

Northern CA Retrofits (as of 01/25/2023 COB)						
Program Year:	2016	2017	2018	2019	2020	2021
Total # of Retrofits:	585	828	1,173	1,769	2,225	795
Average Cost:	\$9,167	\$8,899	\$8,496	\$7,673	\$7,080	\$6,954
Median Cost:	\$7,500	\$7,361	\$6,670	\$6,285	\$5,901	\$5,510
Min Cost:	\$928	\$1,143	\$955	\$646	\$593	\$1,734
Max Cost:	\$75,465	\$54,362	\$63,430	\$86,198	\$61,253	\$96,788

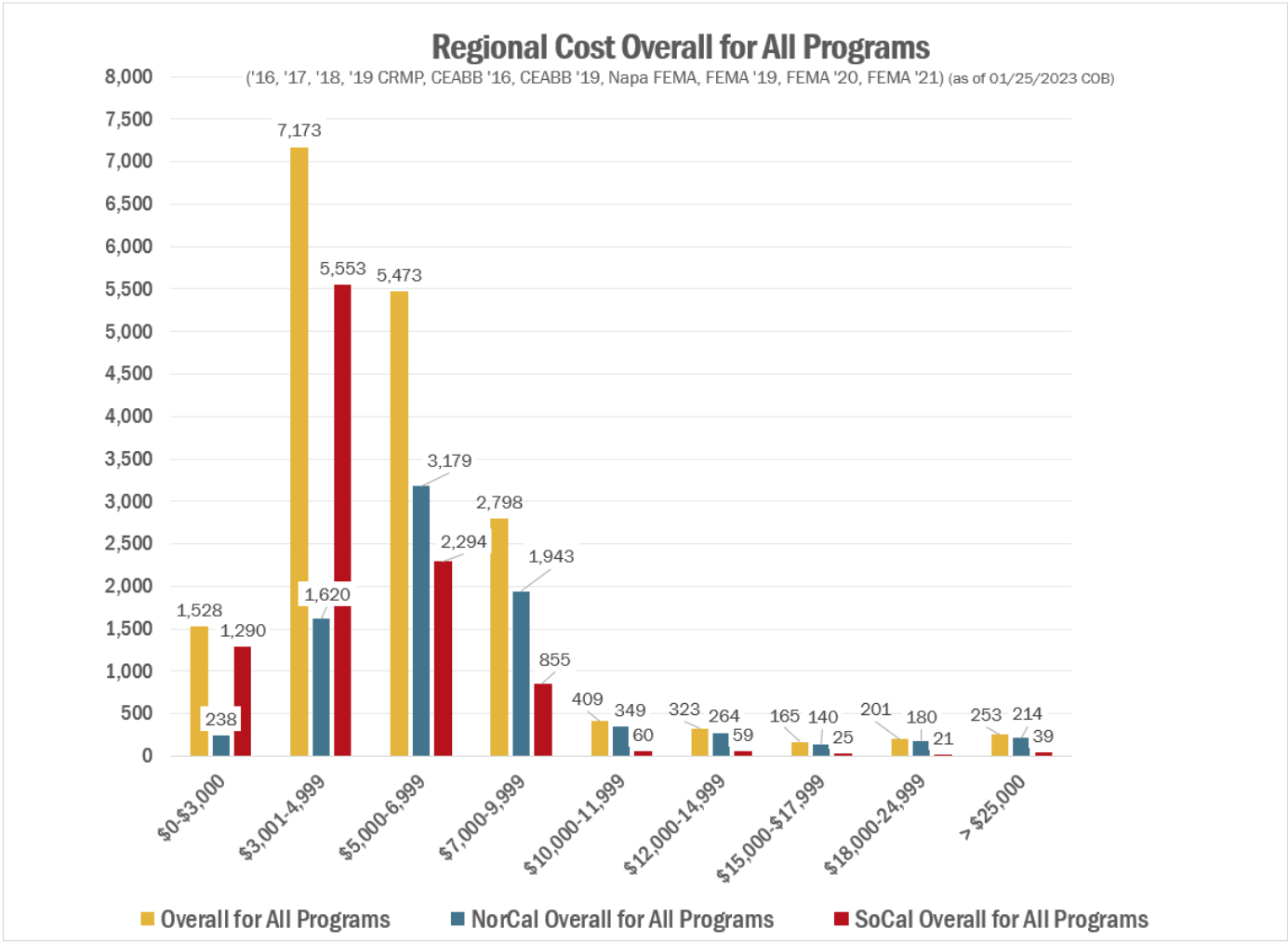
*only includes EBB 2016, EBB 2017, EBB 2018, EBB 2019 (CRMP, FEMA 4308 & 4344), FEMA 2020, FEMA 2021

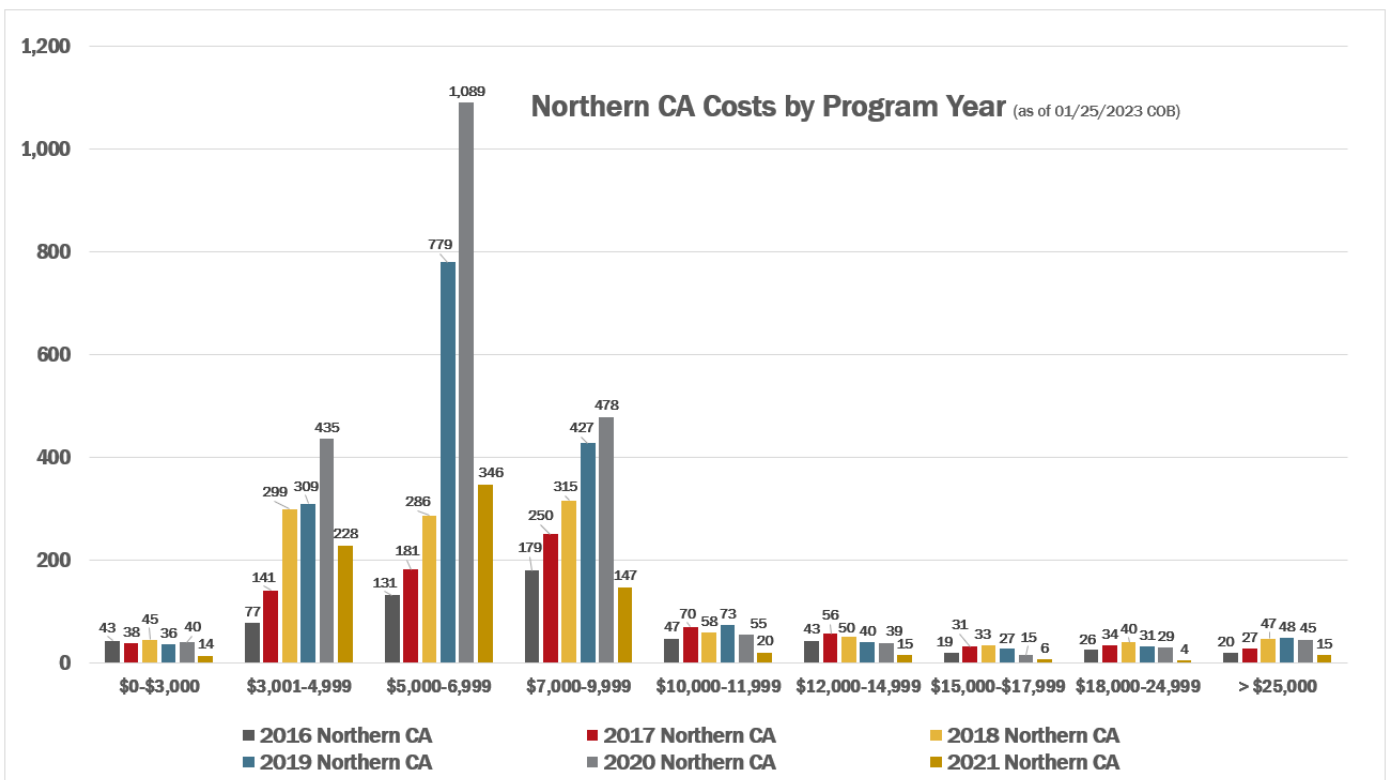
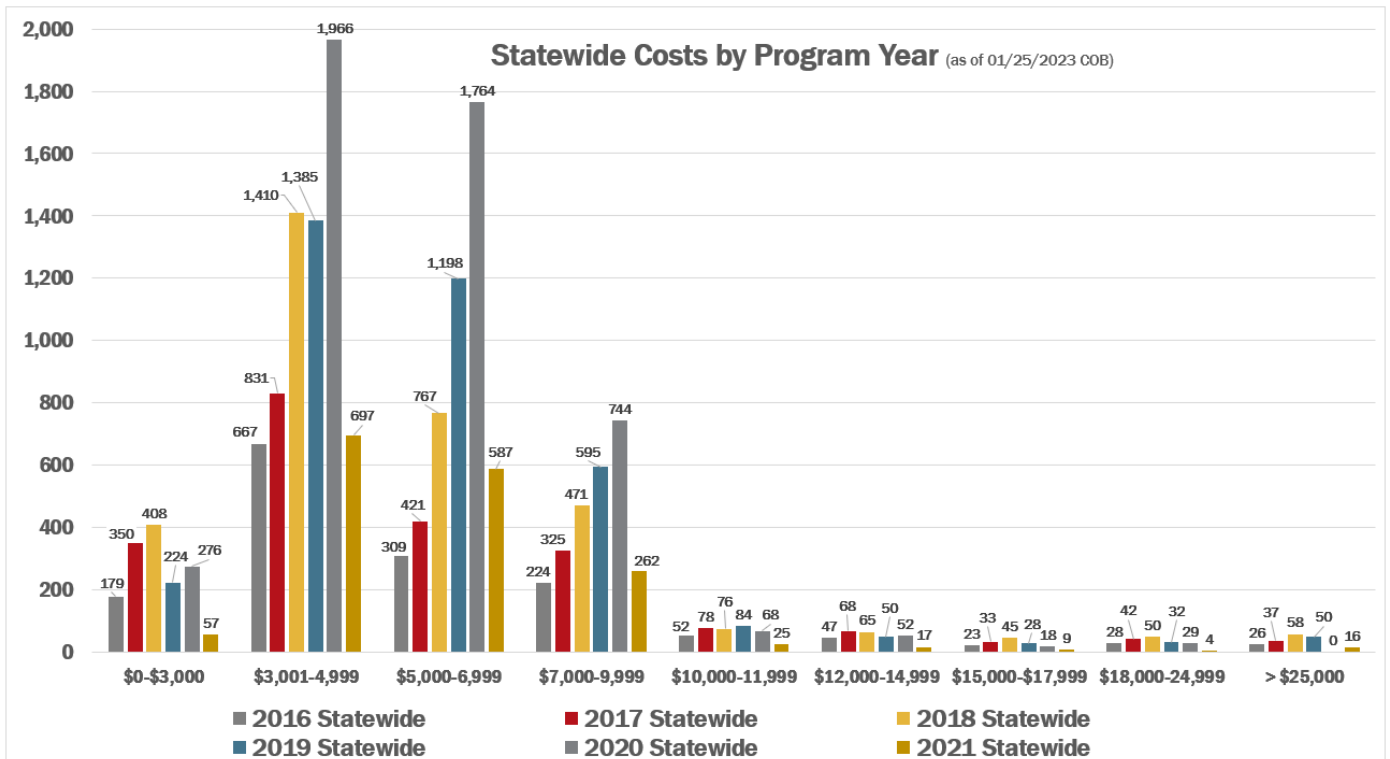
Southern CA Retrofits (as of 01/25/2023 COB)						
Program Year:	2016	2017	2018	2019	2020	2021
Total # of Retrofits:	970	1,357	2,177	1,878	2,745	879
Average Cost:	\$4,597	\$4,726	\$4,936	\$4,847	\$4,975	\$5,217
Median Cost:	\$3,950	\$3,934	\$4,160	\$4,250	\$4,400	\$4,700
Min Cost:	\$562	\$1,197	\$877	\$724	\$912	\$2,169
Max Cost:	\$46,664	\$45,390	\$54,096	\$61,684	\$52,400	\$45,900

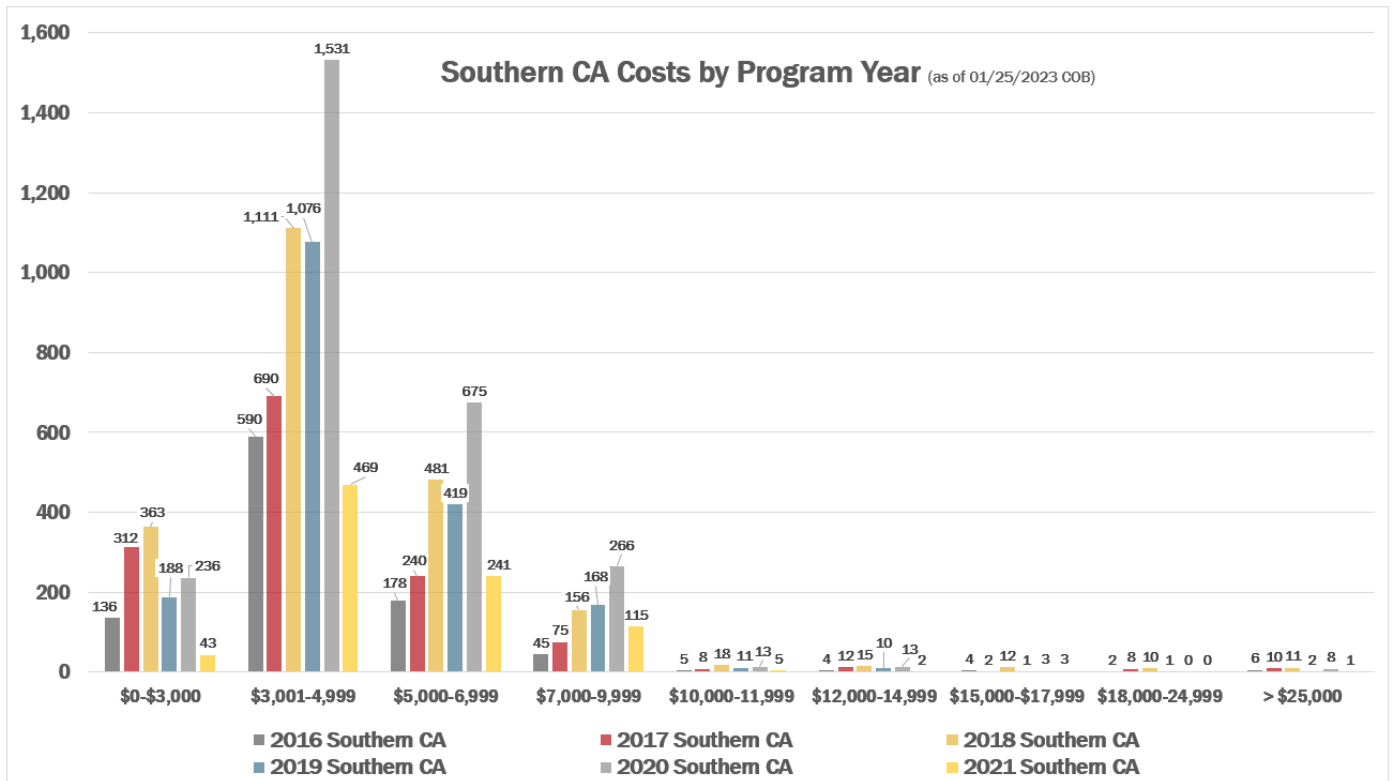
*only includes EBB 2016, EBB 2017, EBB 2018, EBB 2019 (CRMP, FEMA 4308 & 4344), FEMA 2020, FEMA 2021

All Programs Overall Retrofits (as of 01/25/2023 COB)	
Program Year:	'16, '17, '18, '19 CRMP, CEABB '16, CEABB '19, Napa FEMA, FEMA '19, FEMA '20
Total # of Retrofits:	18,323
Average Cost:	\$6,177
Median Cost:	\$5,102
Min Cost:	\$562
Max Cost:	\$96,788

The cost of retrofits within specific ranges remained stable during this reporting period. For all retrofits completed, 8% cost less than \$3,001. Of the completed retrofits 3% were under \$3,001 in Northern California and 13% are in Southern California. A total of 47% of the completed retrofits cost less than \$5,000. A further breakdown of this data shows 23% of completed retrofits were in Northern California and 67% in Southern California. A total of 77% of all retrofits cost less than \$7,000, 62% in Northern California and 90% in Southern California, and 93% cost less than \$10,000.







Engineered and Non-Engineered Retrofits

Engineered retrofits continue to be substantially more costly than non-engineered retrofits. With 49 engineered retrofits completed in the 2021 program, the average cost increased from the previous quarterly report from \$12,559 to \$21,471. Non-engineered retrofits have increased slightly from \$5,377 to \$5,576.

Retrofits by Type (as of 01/25/2023 COB)										
Type of Retrofit	2017 Program		2018 Program		2019 Programs		2020 Program		2021 Programs	
	Engineered	Non-Engineered	Engineered	Non-Engineered	Engineered	Non-Engineered	Engineered	Non-Engineered	Engineered	Non-Engineered
Total # of Retrofits:	227	1,958	313	3,037	291	3,356	301	4,669	49	1,625
Average Cost:	\$15,335	\$5,263	\$15,243	\$5,249	\$14,883	\$5,466	\$13,808	\$5,409	\$21,471	\$5,576
Median Cost:	\$13,541	\$4,500	\$12,083	\$4,510	\$10,353	\$5,142	\$9,800	\$5,100	\$12,825	\$5,100
Min Cost:	\$2,661	\$1,143	\$1,673	\$877	\$1,540	\$646	\$1,747	\$593	\$3,862	\$1,734
Max Cost:	\$54,362	\$40,200	\$63,430	\$60,844	\$86,198	\$18,853	\$61,253	\$52,400	\$96,788	\$28,605

(Table Source: (01-25-2023) Engineered Vs. Plan Set Retrofits)

Withdrawn Applications and Completion Rates

During each program cycle, a significant number of applicants withdraw from the programs. The percentage of withdrawn homeowners for the 2021 program is almost evenly distributed between the two regions, which is different from the 2019 program, but similar to the 2020 program. The overall completion rate for the 2018 EBB program was 45%. The rate for the 2019 and 2020 programs will not be calculated until the programs close.

Withdrawn Homeowners (as of 01/25/2023 COB)																				
Program	2021 FEMA (4308 & 4407)		2020 FEMA 4344		2019 FEMA (4308 & 4344)		2019 CRMP		Bay and LA 2018		Bay and LA 2017		Bay and LA & Napa '16		Bay and LA, 1st Qtr & Napa '15		Pilot 2013		Total	
Southern California	4,145	53%	3,500	48%	1,861	38%	129	34%	2,191	52%	1,435	40%	1,110	39%	552	38%	52	38%	14,975	46%
Northern California	3,714	47%	3,724	52%	3,020	62%	252	66%	1,989	48%	2,153	60%	1,772	61%	886	62%	86	62%	17,596	54%
Total	7,859	100%	7,224	100%	4,881	100%	381	100%	4,180	100%	3,588	100%	2,882	100%	1,438	100%	138	100%	32,571	100%

Other Items of Interest

- SB 189: \$250M for multi-family soft-story retrofits. Funding was not included in the Governor’s budget for FY23-24.
- ESS – The Earthquake Soft-story Program funded by HMGP 4407 is under development and is expected to open for registration in early 2023.
- EBB – CRMP began accepting 2022 registrants into the program week of 2/6. ~3650 registrants were accepted into the program to begin retrofit work. ~1500 additional registrants will be accepted every 6-weeks. This provides for all 19,600 registrants to be accepted into the program by January 2024
- BRIC - CRMP was notified in early August that the 2021 \$20M BRIC grant submitted for a multi-family, soft-story program was selected for further review by FEMA. The application is currently undergoing review by FEMA’s Environmental and Historic Review process and further programmatic evaluation. Funding is anticipated to be approved. Cal OES submitted CRMP’s application for BRIC FY22 (Multi-Family ESS - \$20M) to FEMA on January 25.
- Marketing - CRMP is working with marketing contractors, ZOOM and KP Public Affairs, on a contractor outreach campaign, launching February 2023, for both EBB and ESS programs. Outreach activities include providing free marketing materials and other resources to contractors currently on the EBB Contractor Directory, encouraging additional participation in areas where contractors trained in seismic retrofitting are few.
- Humboldt County Field Work – CRMP Leadership conducted a site visit to the City of Rio Dell, Ferndale, Eureka, and Fortuna to view residential EQ damage and meet with local leaders to raise awareness of the Earthquake Brace and Bolt program and need for trained contractors in the area who can perform Brace and Bolt work.

- Updating Business Plan – Draft to be proposed at May meeting.
- Policy Updates – Last updated 2020. Updated Privacy Policy, social media Policy, Terms of Use, and Disclaimer to ensure they include appropriate detail for ESS program rollout.

CRMP Governing Board Memorandum

February 14, 2023

Agenda Item 6: Presentation by Professor Henry Burton

Recommended Action: No action required – information only

Background:

Professor Henry Burton will present findings from a study that investigated the extent to which the distribution of cripple wall retrofits in residential buildings (primarily one- and two-family units) located within the City of Los Angeles (LA), varies based on the sociodemographics of the affected populations. Burton is Associate Professor of Civil and Environmental Engineering at UCLA.

Summary of UCLA study:

Disparities in seismic risk mitigation programs can lead to uneven impacts during an earthquake and an increased burden on socially vulnerable and underserved communities. This study examines the extent to which the distribution of cripple wall retrofits in residential buildings (primarily one- and two-family units) located within the City of Los Angeles (LA), varies based on the sociodemographics of the affected populations. Utilizing multiple data sources including the LA Department of Building and Safety (LADBS) and LA Open Data Portal (LAOPD), a combination of spatial and statistical approaches are implemented at the regional, neighborhood census-tract scales. At each scale, the number of retrofitted buildings normalized by the total number of pre-1980 one- and two-family residential buildings (or retrofit rate) is the primary dependent variable. The effect of the Earthquake Brace and Bolt (EBB) program on the disparities in the retrofit rate distribution is also assessed.

Recommendation:

No action necessary.