

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, November 19, 2021

<h3>PUBLIC NOTICE</h3>

**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, November 30, 2021 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.

Pursuant to the Executive Order N-29-20, issued March 17, 2020, certain provisions of the Bagley-Keene Open Meeting Act are suspended or waived during the declared State of Emergency in response to the COVID-19 pandemic. Consistent with that Executive Order, and in compliance with guidance from the California Department of Public Health, to promote social distancing and combat the spread of COVID-19, this meeting will be conducted by teleconferencing only. 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 and participate in this meeting and offer comment at this public meeting as described in this Notice.

DATE: Tuesday, November 30, 2021

TIME: 1:00 p.m.

TELECONFERENCE ACCESS: *

Dial-in-Number: [+1 323-886-4439](tel:+13238864439) United States, Los Angeles (Toll)
Enter Conference ID Number: 360 302 900#

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 is not responsible for unforeseen technical difficulties that may occur with respect to the platform's audio feed of this meeting.

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 3 minutes, but more or less time may be allotted by the Chair.

- **If you wish to provide a public comment, please register with Jacqueline Ball at via email at jball@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: Persons who need assistance in order to participate in this meeting should, prior to the meeting, contact Jacqueline Ball via email at jball@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, California Office of Emergency Services
Alex Pal, Chief Legal Counsel, Cal OES
Jim Lombard, CEA Appointee, CRMP Governing Board

Establishment of a quorum

2. Consideration and approval of the minutes of the August 31, 2021 Governing Board meeting.
3. CRMP Executive Director Janiele Maffei will present her executive report.
4. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of October 31, 2021.
5. CRMP Treasurer Benjamin Kirwan will review the proposed CRMP 2022 Budget, for approval.
6. CRMP Managing Director Annde Ewertsen will present the CRMP Mitigation (Earthquake Brace + Bolt) update.
7. CRMP Managing Director Annde Ewertsen will present the status of the CRMP marketing services contract for consideration of new services contract and approval.

8. CRMP Managing Director Annde Ewertson will present a new IT Data Services Agreement (sole-source contract) with Corelogic Credco, LLC, for approval.
9. CRMP Managing Director Annde Ewertson will present the proposed CRMP 2022 Governing Board meeting schedule, for approval.
10. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
11. Adjournment.

Inquiries/General Information:

Jacqueline Ball
jball@calquake.com

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

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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 Jacqueline Ball by email at jball@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@californiaresidentialmitigationprogram.com.



Draft Meeting Minutes
are not available.

Please see CRMP Governing
Board Meeting
Approved Minutes.

CRMP Governing Board Memorandum

November 30, 2021

Agenda Item 3: Executive Report by Executive Director Janiele Maffei

Recommended Action: No Action Necessary

Background:

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

Recommendation:

No action necessary.

California Residential Mitigation Program
(CRMP)

FINANCIAL
REPORT

BOARD MEETING

Tuesday, November 30, 2021

California Residential Mitigation Program
Balance Sheet
As of October 31, 2021
Unaudited

Assets

Cash and cash equivalents	\$ 4,883,824
Accounts receivable	<u>901,984</u>
Total assets	<u><u>5,785,808</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>36,577</u>
Total liabilities	<u>36,577</u>

Fund Balance:

Unassigned	<u>5,749,231</u>
Total fund balance	<u>5,749,231</u>
Total liabilities and fund balance	<u><u>\$ 5,785,808</u></u>

California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Ten months ended October 31, 2021

Unaudited

Revenues:

Contributions from other governments	\$ 7,385,392
	7,385,392
Total revenues	7,385,392

Expenditures:

Audit services	60,500
Board services	335
Grants to homeowners	7,423,857
Inspection services	140,080
Insurance	10,619
IT administrative support	5,877
Legal services	29,965
Marketing services/Program Education	82,435
Program support	2,721
	7,756,389
Total expenditures	7,756,389

Net change in fund balance	(370,997)
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Fund balance, beginning of year	6,120,228
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Fund balance, end of year-to-date	\$ 5,749,231
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**California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2021 Budget Year
as of October 31, 2021**

	Approved 2021 Budget 1/1/2021	Adjustments	Augmentations	2021 Budget after Augmentations and Adjustments	Actual Revenues and Expenditures	Augmented & Adjusted Approved Budget vs. Actual	Percentage used of Augmented & Adjusted 2021 Budget
Revenue							
Contribution from Members ¹	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	0.00%
FEMA - 4344 ²	12,000,000	-	-	12,000,000	6,686,851	5,313,149	55.72%
FEMA - 4407 ESS ²	2,500,000	-	-	2,500,000	-	2,500,000	0.00%
FEMA - 4407 EBB ²	2,500,000	-	-	2,500,000	-	2,500,000	0.00%
FEMA - 4308 ²	1,000,000	-	-	1,000,000	698,541	301,459	69.85%
Total Revenue	\$ 21,000,000	\$ -	\$ -	\$ 21,000,000	\$ 7,385,392	\$ 13,614,608	35.17%
CRMP Administration Expenses							
EBB Marketing / Program Education	\$ 525,000	\$ -	\$ -	\$ 525,000	\$ 82,435	\$ 442,565	15.70%
Home Inspection Services	190,000	-	-	190,000	140,080	49,920	73.73%
Legal Services	75,000	-	-	75,000	29,965	45,035	39.95%
Financial Audit	65,500	-	-	65,500	60,500	5,000	92.37%
Software/Information Technology	53,300	-	-	53,300	5,877	47,423	11.03%
Insurance	28,000	-	-	28,000	10,619	17,381	37.93%
Administration & Office	20,000	-	-	20,000	-	20,000	0.00%
Travel	10,000	-	-	10,000	-	10,000	0.00%
Call Center	6,500	-	-	6,500	2,721	3,779	41.86%
Board Services	1,800	-	-	1,800	335	1,465	18.61%
Professional Dues and Memberships	800	-	-	800	-	800	0.00%
Total Administration Expenses	975,900	-	-	975,900	332,532	643,368	34.07%
Grants to Homeowners							
Grants to Homeowners - FEMA 4344	12,000,000	-	-	12,000,000	6,686,851	5,313,149	55.72%
Grants to Homeowners - EBB	2,700,000	-	-	2,700,000	38,465	2,661,535	1.42%
Grants to Homeowners - FEMA 4407 ESS	2,500,000	-	-	2,500,000	-	2,500,000	0.00%
Grants to Homeowners - FEMA 4407 EBB	2,500,000	-	-	2,500,000	-	2,500,000	0.00%
Grants to Homeowners - FEMA 4308	1,000,000	-	-	1,000,000	698,541	301,459	69.85%
Total Grants to Homeowners	20,700,000	-	-	20,700,000	7,423,857	13,276,143	35.86%
Total Administrative and Grants to Homeowners	\$ 21,675,900	\$ -	\$ -	\$ 21,675,900	\$ 7,756,389	\$ 13,919,511	35.78%

¹ California Earthquake Authority board approved max funding of \$3,000,000 for 2021 at the CEA board meeting on December 10, 2020.

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

Governing Board Memorandum

November 30, 2021

Agenda Item #4: Treasurer's Financial Update

Recommended Action: No Action Necessary

Background:

CRMP Treasurer, Ben Kirwan, will review the CRMP financial statements as of October 31, 2021.

Recommendation:

No action is necessary.

**California Residential Mitigation Program
2022 Proposed Budget vs 2021 Actuals (as of 10/31/21)**

	2022 Proposed Budget	2021 Actuals 10/31/2021	Difference	2021 Approved Budget
Revenue				
FEMA *	\$ 10,100,000	\$ 7,385,392	\$ 2,714,608	\$ 18,000,000
Contribution from Members	-	-	-	3,000,000
Total Revenue	\$ 10,100,000	\$ 7,385,392	\$ 2,714,608	\$ 21,000,000
CRMP Administrative Expenses				
EBB Marketing/Program Education	\$ 650,000	\$ 82,435	\$ 567,565	\$ 525,000
Home Inspection Services	190,000	140,080	49,920	190,000
Financial Audit	65,500	60,500	5,000	65,500
Software/IT Support	54,600	5,877	48,723	53,300
Legal Services	50,000	29,965	20,035	75,000
Insurance	28,200	10,619	17,581	28,000
Administration & Office	11,800	-	11,800	20,000
Call Center	10,000	2,721	7,279	6,500
Travel	8,000	-	8,000	10,000
Board Services	1,800	335	1,465	1,800
Professional Due and Memberships	800	-	800	800
Total Administrative Expenses	1,070,700	332,532	738,168	975,900
Grants to Homeowners				
Grants to Homeowners - FEMA 4344	3,600,000	6,686,851	(3,086,851)	12,000,000
Grants to Homeowners - FEMA 4407 ESS	3,500,000	-	3,500,000	2,500,000
Grants to Homeowners - FEMA 4407 EBB	3,000,000	-	3,000,000	2,500,000
Grants to Homeowners - EBB	2,300,000	38,465	2,261,535	2,700,000
Grants to Homeowners - FEMA 4308	-	698,541	(698,541)	1,000,000
Total Grants to Homeowners	12,400,000	7,423,857	4,976,143	20,700,000
Total Administrative and Program Expenses	\$ 13,470,700	\$ 7,756,389	\$ 5,714,311	\$ 21,675,900

* FEMA revenue is received on a reimbursement basis, and the revenue represents the consumer incentives processed for the FEMA programs. Therefore, the FEMA revenue will be adjusted monthly to reflect the actual grants paid.

Grant Program Breakdown:

1. 4344 - 1,200 retrofits expected in 2022 budgeted at \$3,000 each.
2. 4407 ESS - 500 retrofits expected in 2022 budgeted at \$7,000 each.
3. 4407 EBB - 1,000 retrofits expected in 2022 budgeted at \$3,000 each.
4. EBB (CRMP funding) - 100 grants (\$3,000 each) and \$2 million for supplemental grant.
5. Additional funding for 4308 is expected for 2022, but the actual amount is unknown at this time.

Governing Board Memorandum

November 30, 2021

Agenda Item #5: 2022 CRMP Proposed Budget

Recommended Action: Board Approval Needed

Background:

CRMP annually presents its program and operational budget for approval to the governing board.

Analysis:

Staff has prepared attachment A to assist the board in reviewing the proposed 2022 budget for the CRMP. This attachment compares the 2022 proposed budget to the 2021 actuals expenses as of 10/31/21.

The increase in proposed expenditures is directly related to expected increase in incentive payments for the various grant programs. Grants to homeowners are \$7,423,857 for the ten months ending October 31, 2021. The 2022 proposed budget for grants to homeowners, for all programs, is \$11,400,000. Additional information regarding the breakout of the grants is listed on attachment A.

Total budgeted program revenue for 2022 is \$10,100,000. This revenue will come from grants received from FEMA to cover consumer incentives payments made by CRMP. The grants are received on a reimbursement basis, and the 2022 projected revenue represents the projected consumer incentives that will be processed in fiscal year 2022. This revenue will be recognized monthly based on monthly incentives paid.

All other activity is consistent between 2022 and 2021.

Conclusion:

CRMP staff recommends approval of the 2022 CRMP Budget as presented.

CRMP Governing Board Memorandum

November 30, 2021

Agenda Item 6: California Residential Mitigation Program incentive program
(CRMP Earthquake Brace + Bolt)

Recommended Action: No action required—information only

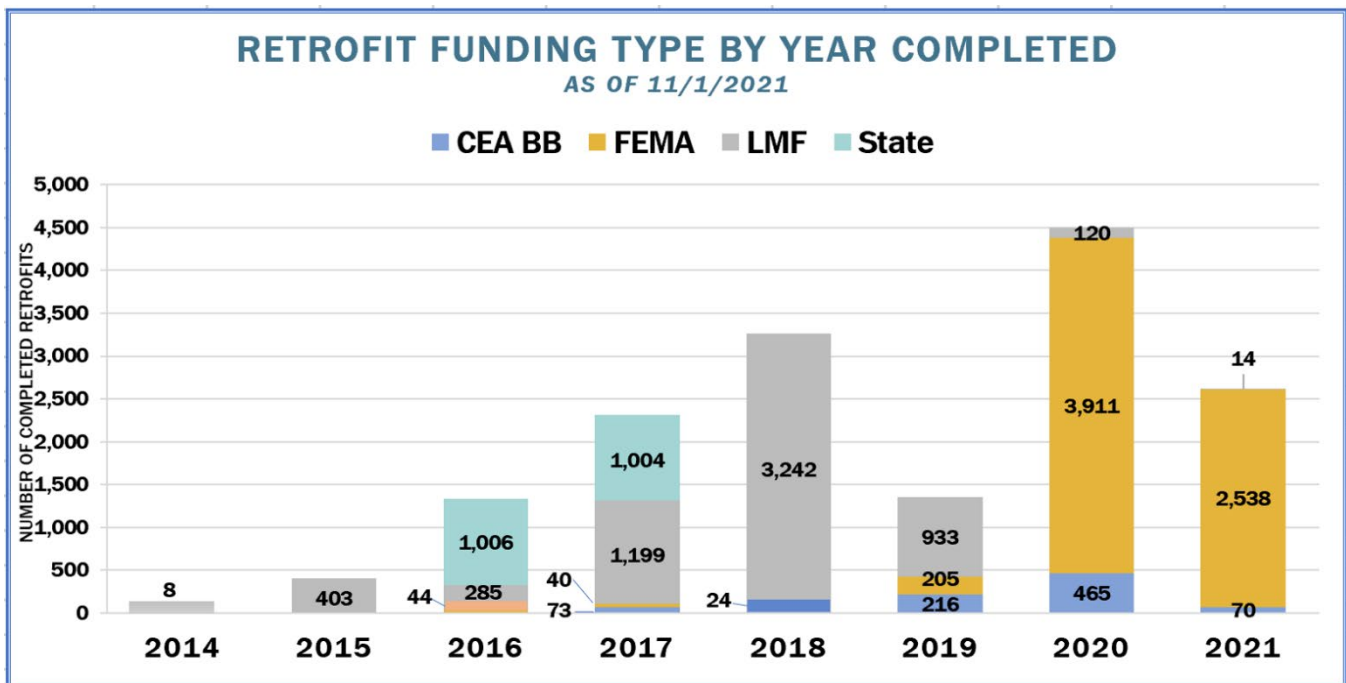
CRMP Earthquake Brace + Bolt Programs

Although the number of completed retrofits has slowed because EBB is at the tail end of the current program, more than 16,000 retrofits will be completed soon.

The CRMP-funded program, with 1,000 grants available, has 590 retrofits completed, 5 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. All permits (1,336) in the HMGP DR-4308 grant have been filled and approved by FEMA: 1,331 retrofits completed, 5 in-progress and no extensions. The HMGP DR-4344 program (registrations completed in 2019 and 2020), with 6,667 grants available, has 5,392 retrofits completed, 1,341 in-progress, which includes 140 extensions and 537 in accepted status. More applicants have been accepted into the program than grants available. Should the program become over-subscribed, applicants can be moved to the 2021 program currently open for registration. EBB staff does not believe this will be required. The program is available in 355 ZIP Codes.

Earthquake Brace + Bolt Program 11/18/2021 CRMP and CEA by Program Cycle			
Program	Completed	In Progress	Status
2014-2018 EBB	7,628	N/A	Closed
FEMA Napa EBB	84	N/A	Closed
CRMP 2019 EBB	590	5	Open
FEMA – funded HMGP DR 4308 & 4344	6,723	1,346	Open
CEA BB	849	18	Open
Total	15,874	1,364	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 FEMA through the 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 (Aug to Nov 15th):

- 4,415 Incoming Calls (70 calls/day)
- 793 Outbound Calls to Program Participants
- 1,766 Emails Answered since
- 342 Applications sent to FEMA
- 501 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 and bug fixes identified during registration.

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 available FEMA *Hazard Mitigation Grant Program* (HMGP) and *Building Resilient Infrastructure and Communities* (BRIC) grants.

Current HMGP and BRIC applications include requests for \$200M in funding:

Cal OES/FEMA Grant Funding Applications			
Grant Program	Funding Request	Program Type	Status
HMGP DR 4308	\$4M	EBB	Approved
HMGP DR 4344	\$20M	EBB	Approved
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	Waitlisted
HMGP DR 4569	\$50M	ESS	Waitlisted
HMGP DR 4558 Round II	\$50M	ESS	Notice of Interest submitted 5/4/21. Application submitted 6/11/21. RFI received 8/6/21 Submitted Response 8/24/21. Received additional RFI on 10/7/21, submitted response on 10/26/21.
HMGP DR 4569	\$20M	EBB	Application submitted April 29, 2021. Submitted response to RFI on July 21, 2021. Received additional RFIs on 10/18/21 and 10/29/21. Submitted responses on 10/27/21 and 11/2/21.
BRIC	\$20M	Multi-family ESS	Application to be submitted 12/1/21.

Supplemental Grant Program Development

CRMP has completed the development of the low-income supplementary grant and it will be available to homeowners registered in the 2021 EBB program, which is currently open for registration. As additional funding over and above the EBB \$3,000 grant to homeowners, this supplemental grant should cover most of the cost of a retrofit.

EBB Program Contractors

Of the contractors on the EBB Directory (Directory), 399 have completed at least one retrofit – an increase of 5 contractors since the last report. 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. EBB will begin a new outreach campaign for the 40 new ZIP Codes in the 2021 EBB program in December to encourage new contractors to join the Directory. 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 10/31/2021 COB)										
Paid Retrofits	0	1	2-5	6-10	11-20	21-49	50-99	100-399	400+	Total
14,801	755	125	106	49	36	33	18	21	11	1,154

Contractors with 1 or more paid retrofits:	399
Average Retrofits/Contractor:	37

EBB Northern and Southern Regional Differences

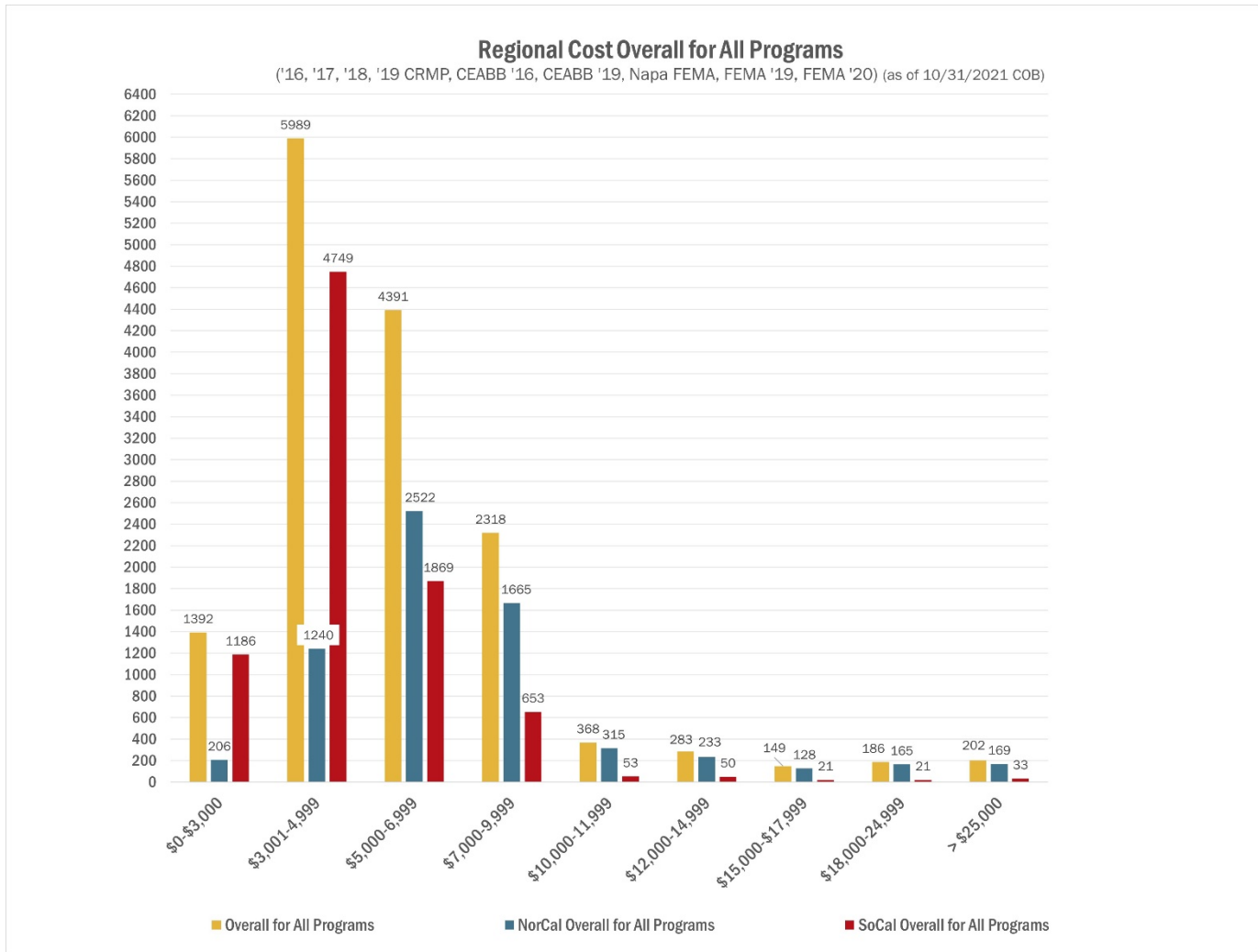
Retrofit costs in Northern California have increased since the last report from \$6,923 to \$6,977 and remain more expensive than Southern California. In Southern California, there was a slight increase in the average cost from \$4,839 to \$4,841 in the 2020 program but have normalized compared to recent years. The overall average cost remained about the same since the last report. CRMP is seeing increased costs that are likely attributable to the steep increase in the cost of wood products and labor. The Executive Director will provide additional detail in her executive report and future data.

Northern CA Retrofits (as of 10/31/2021 COB)					
Program Year:	2016	2017	2018	2019	2020
Total # of Retrofits:	585	828	1,173	1,751	1,564
Average Cost:	\$9,167	\$8,899	\$8,496	\$7,644	\$6,977
Median Cost:	\$7,500	\$7,361	\$6,670	\$6,284	\$5,980
Min Cost:	\$928	\$1,143	\$955	\$646	\$593
Max Cost:	\$75,465	\$54,362	\$63,430	\$86,198	\$57,038

Southern CA Retrofits (as of 10/31/2021 COB)					
Program Year:	2016	2017	2018	2019	2020
Total # of Retrofits:	970	1,357	2,177	1,860	2,080
Average Cost:	\$4,597	\$4,726	\$4,936	\$4,839	\$4,841
Median Cost:	\$3,950	\$3,934	\$4,160	\$4,250	\$4,300
Min Cost:	\$562	\$1,197	\$877	\$724	\$912
Max Cost:	\$46,664	\$45,390	\$54,096	\$61,684	\$52,400

All Programs Overall Retrofits (as of 10/31/2021 COB)	
Program Year:	'16, '17, '18, '19 CRMP, CEABB '16, CEABB '19, Napa FEMA, FEMA '19, FEMA '20
Total # of Retrofits:	15,278
Average Cost:	\$6,171
Median Cost:	\$5,050
Min Cost:	\$562
Max Cost:	\$93,541

The cost of retrofits within specific ranges remained stable during this reporting period. For all retrofits completed, 9% cost less than \$3,001. Of the completed retrofits 3% were under \$3,001 in Northern California and 14% are in Southern California. A total of 48% of the completed retrofits cost less than \$5,000. A further breakdown of this data shows 22% of completed retrofits in Northern California and 69% in Southern California fell in this category. More than 77% of all retrofits cost less than \$7,000, 60% in Northern California and 90% in Southern California and 92% cost less than \$10,000.



Engineered and Non-Engineered Retrofits

Engineered retrofits continue to be substantially more costly than non-engineered retrofits. With 203 engineered retrofits completed in the 2020 program, the average cost again increased since the previous quarterly report from \$12,310 to \$12,623 while non-engineered retrofits increased from \$5,314 to \$5,353, which was anticipated due to increasing labor, permit and material costs.

Retrofits by Type (as of 10/31/2021 COB)								
Type of Retrofit	2017 Program		2018 Program		2019 Programs		2020 Program	
	Engineered	Non-Engineered	Engineered	Non-Engineered	Engineered	Non-Engineered	Engineered	Non-Engineered
Total # of Retrofits:	227	1,958	313	3,037	283	3,328	203	3,441
Average Cost:	\$15,335	\$5,263	\$15,243	\$5,249	\$14,838	\$5,464	\$12,623	\$5,353
Median Cost:	\$13,541	\$4,500	\$12,083	\$4,510	\$10,425	\$5,142	\$9,318	\$5,026
Min Cost:	\$2,661	\$1,143	\$1,673	\$877	\$1,540	\$646	\$1,747	\$593
Max Cost:	\$54,362	\$40,200	\$63,430	\$60,844	\$86,198	\$18,853	\$57,038	\$52,400

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 2020 program is almost evenly distributed between the two regions, which is different from the 2019 program, but continues to be lower in Southern California. The completion rate for the 2018 EBB program at 45% has been the highest for all program years. The rate for the 2019 and 2020 program will not be calculated until the programs close. Given the delay in accepting homeowners into the 2019 program and the current economic impact of COVID-19, EBB is unsure what to expect for the 2019 and 2020 FEMA-funded completion, but as additional retrofits are completed it appears the completion rate may be substantially impacted.

Withdrawn Homeowners (as of 10/31/2021 COB)																		
Program	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	2,683	49%	1,834	38%	127	34%	2,191	52%	1,435	40%	1,110	39%	552	38%	52	38%	9,984	44%
Northern California	2,824	51%	2,990	62%	249	66%	1,989	48%	2,153	60%	1,772	61%	886	62%	86	62%	12,949	56%
Total	5,507	100%	4,824	100%	376	100%	4,180	100%	3,588	100%	2,882	100%	1,438	100%	138	100%	22,933	100%

Other Items of Interest

- Registration for the 2021 program opened on October 27th with a virtual press conference and closes on December 1st. As of November 23rd, more than 9,400 homeowners have registered and EBB expects approximately 10,000 registrants when the program closes. There has been an increase in the request for translation services, which we believe is attributed to the increase multi-language advertising. During the last registration, EBB received 17 calls that required translation services. As of November 11th, we had received 92 calls. Launch Metrics

- HMGP DR 4344 – Extension

Due to continued COVID-related delays affecting program building departments and continued delays with FEMA processing of applicant files, CEA will submit a Request for Extension no later than December 31, 2021.

CRMP Governing Board Memorandum

November 30, 2021

Agenda Item 7: Award of contract for public relations and marketing services

Recommended Action: Approve staff-recommended award

Background

At the June 5, 2019, CRMP Governing Board Meeting, Ms. Ewertsen presented and was granted a request for approval to award the marketing services contract to Mercury Public Affairs, LLC (Mercury). The contract was set to expire in June 2022 and had two, one-year extensions available.

EBB was working with Mercury and its subcontractor, McClatchy, on the advertisements, outreach including the media buys and the press conference for the October 27th opening of the EBB 2021 program, when Mercury notified EBB on October 4th that all California Mercury staff had tendered their resignations effective October 15th.

Given the status of the advertisement development, media buy and press conference, EBB negotiated with the Managing Director to rescind her resignation and make it effective on October 31st, which allowed EBB to launch the program and determine appropriate next steps including the possibility of negotiating with another marketing services firm.

EBB made repeated attempts to contact Mercury (headquarters) but was unsuccessful. A message was relayed to EBB from the Managing Director (California Office), assigned to the EBB program, on October 12th from Kieran Mahoney, Mercury CEO, that the two Mercury partners, Fabian Nunez and Kirill Goncharenko, that ran the California office, would be willing to service the EBB account going forward. Mr. Nunez and Mr. Goncharenko after resigning from Mercury started their own firm, Actum CA Opco, LLC (Actum).

EBB continued to request confirmation from Mercury on the status of the contract including whether they would be subcontracting with Actum to service the EBB account. Again, on October 12th, the Managing Director of Mercury (California Office) forwarded a message that stated Tom Doherty, a partner with Mercury, LLC, based in New York, would not comment on assigning the contract to Actum or any other entity.

Without confirmation or affirmation on how Mercury would be servicing the EBB account and with confirmation from Actum that they would be willing to service the account with the same personnel that serviced the account under Mercury, EBB negotiated a short-term contract terminating on January 31, 2022, to allow the program to continue its advertising for the registration period and to have professional assistance with the press conference.

Analysis

The EBB management moved forward with negotiation of a short-term contract based on the following applicable CRMP sole-source criteria.

CRMP Procurement Guidelines permit the use of sole-source contracts so long as facts are present that demonstrate clearly that one or more of the Guidelines' seven sole-source criteria is applicable.

Based on the criteria in the CRMP Procurement Guidelines and Contracting Manual, the use of a sole-source contract is justified, as follows:

The existence of exigent or emergency circumstances. As discussed above in the Background section of the memo, EBB was in the midst of launching a new program. The ads were in development, the media buy was in place and the press conference was planned. The new program would not have launched on time without the ongoing assistance of the staff previously employed by Mercury.

Other bidders not reasonably available. Given the short timeframe for the launch and the learning curve required if a new contractor was hired, it was not feasible to hire another firm.

Fiscal Responsibility. EBB had been working for months with Mercury and McClatchy on the launch of the new program and had spent countless hours and thousands of dollars on the development of the advertisements—many of which were still in process. Failure to secure the same personnel would result in a substantial loss of time, effort, and funds.

Other Factors. Actum was willing to assume the exact terms and conditions of the Mercury contract, which was procured through an RFP-Q process in 2019. The Actum contract is less than \$100,000 and less than twelve months.

Options

The following options are available:

Option 1: Extend the Actum contract to June 30, 2022, which would allow EBB to continue with business as usual, possibly open another registration in early 2022, and let an RFP-Q for a new marketing services firm. This is the recommended option.

Option 2: Amend Actum contract to allow for two contract extensions of one year each as was stipulated in the Mercury contract.

Option 3: Immediately proceed to RFP-Q for a new marketing services firm to ensure a new contract is in place by January 31, 2022, when the Actum contract expires. With the opening of the new EBB program and the implementation of the ESS program, meeting this timeline would cause a hardship for EBB staff.

Recommendation

| Approve staff's recommendation to extend the current contract with Actum -until June 30, 2022, and to proceed with an RFP-Q for marketing services for a firm to begin services on July 1, 2022

CRMP Governing Board Memorandum

November 30, 2021

Agenda Item 8: Approve CoreLogic and DocuSign Services Agreements

Recommended Action: Ratify CoreLogic and DocuSign Services Agreements for ongoing services

Background:

The CEA has a contract with CoreLogic under which CRMP was provided access to data that is required by FEMA to be validated by a third-party before being submitted to FEMA for each seismic retrofit project. CEA now requires that CRMP have its own contract for these services. In addition, CRMP's EBB program will be launching a low-income grant for homeowners who qualify. To avoid obtaining, saving, and validating personally identifiable information, CRMP requires the services of a company that offers these services. Contracting with CoreLogic would require CRMP to contract with DocuSign, Inc. This would allow homeowners to submit their tax transcript authorization forms through DocuSign directly to CoreLogic with no information being saved on CRMP servers.

Analysis:

Applicable CRMP Sole-Source Criteria

CRMP Procurement Guidelines permit the use of sole-source contracts so long as facts are present that demonstrate clearly that one or more of the Guidelines' seven sole-source criteria is applicable.

Based on the criteria in the CRMP Procurement Guidelines and Contracting Manual, the use of a sole-source contract is justified, as follows:

The existence of exigent or emergency circumstances. CEA is requiring CRMP to contract directly with CoreLogic for the validation of data points for each retrofit project. CRMP needs to continue the use of this service while we have awarded FEMA grants. The API that collects and posts the data into the CRMP database is programmed into the backend of the system. To switch companies, would take extensive IT time and testing.

For validation of income, CRMP conducted extensive research on several companies such as Plaid, Funicity, True work, The Work Number, and CoreLogic. Each of the listed companies, except for CoreLogic, work directly with consumers attempting to get qualified for a loan and then passing that information on to the lenders prior to approval. Each of these companies offer a platform for consumers to grant access to bank records and/or employment information. However, they only verify income through bank records and consumers can choose which accounts to share. To verify income for low-income purposes, verifying through tax returns is

required and the only company offering tax return validation CoreLogic. To facilitate the required signature authority by the homeowner to verify income, CRMP must contract with DocuSign.

Other bidders not reasonably available. For validation of income, CRMP staff conducted extensive research on several companies such as Plaid, Funicity, True work, The Work Number, and CoreLogic. Each of the listed companies, except for CoreLogic, work directly with consumers attempting to get qualified for a loan and then passing that information on to the lenders prior to approval. Each of these companies offer a platform for consumers to grant access to bank records and/or employment information. However, they only verify income through bank records and consumers can choose which accounts to share. To verify income for low-income purposes, verifying through tax returns makes the most sense and the only company offering tax returns is CoreLogic. CRMP also contacted Franchise Tax Board to determine whether income could be verified through the agency but was told that verification was only possible if authority was provided to CRMP through statute.

Having both contracts in place insures CRMP has the ability to validate required data for FEMA grants and to verify household income and determine eligibility for the low-income grant.

Fiscal Responsibility. Proceeding with an RFQ requires a minimum of 40 hours of staff time, which equates to thousands of dollars. In addition, the advertisement of a RFQ can cost several thousand dollars. Because the combined contracts are estimated to be up to \$20,000, it is fiscally prudent and advantageous to the CRMP to pursue a sole-source contract. In addition, the time and effort to reprogram the backend for an API from a different company will be costly.

Other Factors. Contract services for CoreLogic and Document are estimated to be up to \$20,000 annually. CoreLogic fees for data validation were \$3,000 in 2020.

Recommendation:

CRMP staff requests the Governing Board ratify the contracts currently in place with CoreLogic and DocuSign for data services and signature authority required for compliance with FEMA grant requirements and income verification for the supplemental grant program.

CRMP Governing Board Memorandum

November 30, 2021

Agenda Item 9: Proposed 2021 CRMP Governing Board Meeting Schedule

Recommended Action: Board approval needed

Background:

CRMP Managing Director Annde Ewertsen will present to the Board the proposed 2022 CRMP Governing Board Meeting Schedule, for approval.

Recommendation:

Staff recommends the Board approve the proposed CRMP 2022 Governing Board meeting schedule.

CALIFORNIA RESIDENTIAL MITIGATION PROGRAM

PROPOSED 2022 MEETING DATES

MEETING DATE	LOCATION
FEBRUARY 8 1:00pm	Teams Meeting (until further notice)
MAY 3 1:00pm	Teams Meeting (until further notice)
AUGUST 16 1:00pm	Teams Meeting (until further notice)
NOVEMBER 8 1:00pm	Teams Meeting (until further notice)
INQUIRIES & GENERAL INFO: Jacqueline Ball 916-661-5607 (Direct) jball@calquake.com	MEDIA CONTACT: D'Anne Ousley 916-661-5524 (Direct) dousley@calquake.com

Persons with disabilities may request special accommodations at any CRMP governing board meeting or may request the accommodation necessary to receive agendas or materials prepared for its board meetings. Please contact Jacqueline Ball by email at jball@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.