

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, July 17, 2015

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 meet in Sacramento, California. The Bagley-Keene Open Meeting Act applies generally to meetings of the Board, and the 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.

**LOCATION: California Earthquake Authority (CEA)
801 K Street, Suite 1000
Sacramento, CA 95814**

DATE: Tuesday, July 28, 2015

TIME: 1:00 p.m.

AGENDA:

1. Call to order and member roll call:

Mitch Ziemer – Chair, Insurance Director, California Earthquake Authority

Christina Curry – Vice Chair, Deputy Director, California **Governor's** Office of Emergency Services

Dan Dyce – Consultant, California Earthquake Authority

Nancy Ward - Chief Deputy Director, California **Governor's** Office of Emergency Services

Establishment of a quorum

2. Consideration and approval of the minutes of the April 21, 2015, CRMP Governing Board meeting.
3. CRMP Executive Director Janiele Maffei will present her executive report.

4. CRMP Treasurer Tim Richison will present a financial report.
5. Mr. Richison will provide an update on CRMP insurance coverage.
6. Ms. Maffei, assisted by Bill Donovan, CRMP legal counsel, will present updates and amendments to the CRMP Business Plan for Board approval.
7. CRMP Managing Director Sheri Aguirre will present an update on the Earthquake Brace + Bolt (EBB) program.
8. California Earthquake Authority CEO Glenn Pomeroy will present and discuss possible funding sources and requirements for an EBB program that would operate to retrofit vulnerable homes owned by CEA policyholders in high-seismic-risk areas.
9. Ms. Maffei will outline EBB selection protocols used to date to define EBB eligibility and present for approval protocols for subsequent expansions.
10. Ms. Aguirre will present for Board approval proposed EBB program-eligibility expansions, based on Board-adopted protocols.
11. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
12. Adjournment.

Inquiries and General Information:

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**To view this notice on the CRMP website, please visit
www.californiar ResidentialMitigationProgram.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 Celia Luna by telephone (916) 661-5520 or by email at info@californiar ResidentialMitigationProgram.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@californiar ResidentialMitigationProgram.com.

DRAFT

CALIFORNIA EARTHQUAKE AUTHORITY CALIFORNIA RESIDENTIAL MITIGATION PROGRAM GOVERNING BOARD MEETING MINUTES

Tuesday, April 21, 2015
1:00 p.m.

Location: Governor's Office of Emergency Services ("Cal OES")
Media Room
3650 Schriever Avenue
Mather, California

Members of the California Residential Mitigation Program (CRMP) Governing Board in attendance:

Christina Curry, Vice Chair, Deputy Director, California Office of Emergency Services
Dan Dyce, Claim Manager, California Earthquake Authority
Mitch Ziemer, Chair, Insurance Director, California Earthquake Authority

Members of the CRMP Staff in attendance:

Janiele Maffei, Executive Director
Sheri Aguirre, Managing Director
Bill Donovan, Counsel
Danny Marshall, Secretary
Tim Richison, Treasurer
Marianne Knoy
Celia Luna

Also Present:

Bruce Patton, Director of Policy, Research and Special Projects, CEA

1. Call to order and member roll call.

Chair Mitch Ziemer called the meeting to order at 1:09 p.m. A quorum was achieved.

2. Consideration and approval of the minutes of the February 3, 2015, CRMP governing board meeting.

MOTION: Board Member Curry moved approval of the February 3, 2015, California Residential Mitigation Program Governing Board Meeting Minutes as presented. Board Member Dyce seconded. Motion carried unanimously.

3. CRMP Treasurer Tim Richison will present a financial report.

Mr. Richison discussed the unaudited financial information as of December 31, 2014, and the unaudited financial information for the quarter ended March 31, 2015, attached to these minutes.

He explained that funds committed to CRMP from the California Earthquake Authority (“CEA”), reflected on the year-end balance sheet as “Due from CEA,” will be transferred to CRMP as needed in 2015. He noted that total expenditures for 2014 aggregated only 35% of the amount budgeted because of delays in expanding the Earthquake Brace + Bolt (“EBB”) program but that the reported expenditures for the first quarter reflect the startup of the expansion of the EBB program.

Chair Ziemer asked why the line item “consumer incentives” was grouped with other expenditures in the Statements of Revenues, Expenditures and Changes in Fund Balance. Mr. Richison said it was to align the format to the CEA budget line items. Chair Ziemer requested that consumer incentives be stated separately to highlight those expenditures for the public.

Vice Chair Curry asked why the funds committed to CRMP by the CEA are retained by the CEA. Mr. Richison stated the funds are invested by the CEA until they are needed by CRMP and that CRMP does not have corresponding investment arrangements. He stated that funds will be moved to CRMP on an as-needed basis throughout the year in smaller increments.

4. CRMP Executive Director Janiele Maffei will present her executive report.

Ms. Maffei stated that CRMP Managing Director Sheri Aguirre would report in detail on CRMP’s EBB Program and that she would update the governing board on the CEA’s mitigation programs. A copy of her presentation is attached to these minutes. She described three projects: the cripple wall research project; the ATC 110 project; and the south Napa earthquake research project.

- Cripple Wall Research Project
 - The lead is Bruce Patton, the CEA Director of Research and Special Products.
 - Submittals to the RFP that went out in January of 2015 for a program management team are in the process of being evaluated. Interviews are anticipated in May.
 - Research Project Components:
 - Numerical Modeling
 - Element Modeling
 - Shake Table Test
 - Graphics
- ATC 110
 - Approval from the CEA Board for a three-year program for one- to four-unit, wood frame dwellings
 - Identified three common and serious vulnerabilities:
 - Classic cripple wall

- Living space over a garage
- Hillside
- Created a scope of work, schedule, and budget
- Goal to create this document to be adopted into the code and be available to homeowners throughout the state
- South Napa Earthquake Research
 - Online marketing material
 - Online survey of homeowners to highlight the cost-benefit analysis from financial and social inhabitability benefit to the homeowner who makes those improvements to their house
 - Phase 1 – over 600 responses to the survey
 - Phase 2 – opportunity to visit and inspect 50 of those homes; 200 homeowners have volunteered to have their homes inspected

5. CRMP Managing Director Sheri Aguirre will present an update on the Earthquake Brace + Bolt (EBB) program.

Ms. Aguirre described the status of the EBB program. A copy of her presentation is attached to these minutes.

- The EBB program is now in six cities.
 - 475 homes have been selected for the program in five cities, excluding San Leandro (which has a longer permitting process)
 - 22 completed retrofits
 - 121 permits taken out
 - 100 San Leandro participants have until June 2 to obtain permits
- 75 Napa participants have until June 19th to obtain permits

Lessons Learned:

- There is a 50 percent dropout rate.
- Many homeowners have withdrawn from the program. Other homeowners will be plugged into those slots this week.
- The four-week contractor selection and permit process was too short; it is now eight weeks.
- Homeowners require reminders of their deadlines and next steps via telephone calls and emails, and they require encouragement to continue in the process.

- The new website to be launched on May 14th along with the new social media exposure will make it easier for the homeowner and will allow the contractor to handle some program details for the homeowner.

Danny Marshall, the CRMP Secretary, asked why homeowners withdraw from the program. Ms. Aguirre said she needed a survey to ascertain why homeowners withdraw. She stated that she believed homeowners were excited about this program but were overwhelmed, unsure of their next step, or forgetful. She stated the new website will be more user-friendly to help people through the process.

Mr. Richison asked if more dropouts were seen in Northern or Southern California. Ms. Aguirre stated she did not know; however, Northern California is more expensive and the process is more difficult because the permitting is online in Southern California. Ms. Maffei added that CRMP will continue to encourage change within building departments as data becomes more available to the value of online permitting.

Vice Chair Curry suggested that contractors be encouraged to help clients through the process. Ms. Aguirre agreed and said that as contractors become more familiar with the EBB program and retrofit compliance, they can expedite the process more successfully for the client. She gave the example of a contractor in Southern California who has done seven of the twenty-two EBB retrofits completed to date and is quite knowledgeable and helpful for his clients.

Ms. Aguirre stated that CRMP has applied for FEMA's Hazard Mitigation Grant program for federal funds to retrofit 75 to 100 additional homes in Napa. She noted the additional federal requirements of house photos and other steps would require more CRMP work than the current EBB program, but otherwise the federal program seemed consistent with the EBB program.

6. Ms. Maffei will outline EBB Selection Protocol used to date and present for approval protocol for each subsequent expansion.

Ms. Maffei said that she planned to provide an update today and will not ask for approval. A copy of her presentation is attached to these minutes.

She explained that the formula for the selection of ZIP codes for the pilot program and the first expansion was risk = hazard x vulnerability.

Selection Categories:

- Optimizing density of older homes
- Utilizing local government
- Seismic risk in the ZIP code
- Recent significant earthquake in the ZIP code

Chair Ziemer asked if enough has been learned from Napa on older homes to influence the selection process on pre-1940 homes and if there are too many homes in that age bracket with foundation problems. Ms. Aguirre stated there have been times when older homes require foundation repairs, but, for the most part, that foundation problems had not been seen in homes in the EBB program.

Board Member Dyce asked Mr. Marshall to comment on current proposed legislation pertaining to seismic retrofits. Mr. Marshall discussed three bills:

- Senate Bill 602 - seismic safety: California Earthquake Authority, introduced by Senator Monning
- Assembly Bill (AB) 1429 - earthquake loss mitigation: grant programs, introduced by Assembly Member Chiu
- AB 1440 - earthquake loss mitigation: grant programs, introduced by Assembly Member Nazarian

7. Ms. Aguirre will present for approval EBB program Expansion 3.

- Expansion 1 began January 1, 2015, and included 6 cities
- Expansion 2 began in Napa on April 20, 2015
- Expansion 3 is planned for the summer of 2015
 - Offer the program to homeowners on the waitlist
 - Do not open it up to new ZIP codes
- Timeline:
 - September - offer to homeowners on the waitlist with thirty days to respond
 - October and November - contractor selection and permit period
 - December through May of 2016 - complete the retrofit

MOTION: Board Member Dyce moved approval of the Earthquake Brace + Bolt Program Expansion 3. Vice Chair Curry seconded. Motion carried unanimously.

8. Ms. Maffei will present for approval the proposed meeting calendar for the balance of 2015.

MOTION: Vice Chair Curry moved approval of the 2015 calendar attached to these minutes. Board Member Dyce seconded. Motion carried unanimously.

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

There were no comments or requests from members of the public pertaining to the CRMP or the Governing Board.

10. Adjournment.

There being no further matters to consider, Chair Ziemer adjourned the meeting at 2:28 p.m.

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, April 10, 2015

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 meet in Sacramento, California. The Bagley-Keene Open Meeting Act applies generally to meetings of the board, and the 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.

**LOCATION: Governor's Office of Emergency Services ("Cal OES")
3650 Schriever Avenue
Mather, California 95655**

DATE: Tuesday, April 21, 2015

TIME: 1:00 p.m.

AGENDA:

1. Call to order and member roll call:

Mitch Ziemer – Chair, Insurance Director, California Earthquake Authority
Christina Curry – Vice Chair, Deputy Director, California Office of Emergency Services
Dan Dyce – Consultant, California Earthquake Authority
Nancy Ward - Chief Deputy, California Office of Emergency Services

Establishment of a quorum

2. Consideration and approval of the minutes of the February 3, 2015 CRMP governing board meeting.
3. CRMP Executive Director Janiele Maffei will present her executive report.
4. CRMP Treasurer Tim Richison will present a financial report.

5. CRMP Managing Director Sheri Aguirre will present an update on the Earthquake Brace + Bolt (EBB) program.
6. Ms. Maffei will outline EBB Selection Protocol used to-date and present for approval protocol for each subsequent expansion.
7. Ms. Aguirre will present for approval EBB program Expansion 3.
8. Ms. Maffei will present for approval the proposed meeting calendar for the balance of 2015.
9. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
10. Adjournment.

Inquiries and General Information:

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**To view this notice on the CRMP website, please visit
www.californiaresidentialmitigationprogram.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 Celia Luna by telephone, toll free, at (877) 232-4300 or by email at info@californiaresidentialmitigationprogram.com. We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.

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**California Residential Mitigation Program
(CRMP)**

**FINANCIAL
REPORT**

**BOARD MEETING
Tuesday, April 21, 2015**

**California Residential Mitigation Program
Balance Sheet
For the Year-to-Date Ended December 31, 2014**

Assets

Cash and cash equivalents	\$ 170,522
Due from CEA	<u>3,000,000</u>
Total assets	<u><u>\$ 3,170,522</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>\$ 79,208</u>
Total liabilities	<u>79,208</u>

Fund Balance:

Unassigned	<u>3,091,314</u>
Total fund balance	<u>3,091,314</u>
Total liabilities and fund balance	<u><u>\$ 3,170,522</u></u>

**California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year-to-Date Ended December 31, 2014**

Revenues:	
Contributions from members	\$ 3,000,000
Total revenues	<u>3,000,000</u>
Expenditures:	
Advertising administration	\$ 1,500
Administration and office expenses	758
Audit services	35,200
Board meeting	1,225
Consumer incentives	21,000
EDP software	3,136
Inspection services	20,730
Insurance	33,521
Legal services	132,869
Marketing services	183,772
Pilot program evaluation	69,433
Training	798
Travel	4,804
Web-site development	6,104
Other contracted services	<u>-</u>
Total expenditures	<u>\$ 514,850</u>
Net change in fund balance	2,485,150
Fund balance, beginning of year	<u>606,164</u>
Fund balance, end of year to date	<u><u>\$ 3,091,314</u></u>

**California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2014 Budget Year**

	(a)	(b)	(c)	(d) (d=a+b+c)	(e)	(f) (f=d-e)	(g) (g=e/d)
	<u>Approved 2014 Budget 1/1/2014</u>	<u>Adjustments thru 12/31/2014</u>	<u>Augmentations thru 12/31/2014</u>	<u>2014 Budget after Augmentations and Adjustments</u>	<u>Actual Expenditures as of 12/31/2014</u>	<u>Augmented & Adjusted Approved Budget (d) vs. Actual Expenses (e) as of 12/31/2014</u>	<u>Percentage used of Augmented & Adjusted Approved 2014 Budget</u>
Compensation and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%
Travel	28,000	-	-	28,000	4,804	23,196	17.16%
Non-Paid Consultant Travel	1,000	-	-	1,000	-	1,000	0.00%
Training	7,000	-	-	7,000	798	6,202	11.40%
Insurance	20,000	-	-	20,000	33,521	(13,521)	167.61%
Board Meeting	5,000	-	-	5,000	1,225	3,775	24.50%
Advertising Administration	15,000	-	-	15,000	1,500	13,500	10.00%
Administration & Office	3,000	-	-	3,000	758	2,242	25.27%
EDP software	2,500	-	-	2,500	3,136	(636)	125.44%
Total Operating Expenses	\$ 81,500	\$ -	\$ -	\$ 81,500	\$ 45,742	\$ 35,758	56.13%
Consulting Services							
Other Consulting Services	-	-	-	-	-	-	0.00%
Total Consulting Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Contracted Services							
Audit Services	30,000	-	-	30,000	35,200	(5,200)	117.33%
Inspection Services	22,200	-	-	22,200	20,730	1,470	93.38%
Legal Services	250,000	-	-	250,000	132,870	117,130	53.15%
Marketing Services	500,000	-	-	500,000	183,772	316,228	36.75%
Pilot Program Evaluation	50,000	-	-	50,000	69,433	(19,433)	138.87%
Web-Site Development	25,000	-	-	25,000	6,104	18,896	24.42%
Other Contracted Services	20,000	-	-	20,000	-	20,000	0.00%
Total Contracted Services	\$ 897,200	\$ -	\$ -	\$ 897,200	\$ 448,109	\$ 449,091	0.00%
Consumer Incentives	500,000	-	-	500,000	21,000	479,000	4.20%
Total Expenditures	\$ 1,478,700	\$ -	\$ -	\$ 1,478,700	\$ 514,851	\$ 963,849	34.82%

**California Residential Mitigation Program
(CRMP)**

**FINANCIAL
REPORT**

**BOARD MEETING
Tuesday, April 21, 2015**

**California Residential Mitigation Program
Balance Sheet
as of March 31, 2015**

Assets

Cash and cash equivalents	\$ 957,557
Due from CEA	2,000,000
Accounts receivable - other	<u>53</u>
Total assets	<u><u>\$ 2,957,610</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>\$ 38,272</u>
Total liabilities	<u>38,272</u>

Fund Balance:

Unassigned	<u>2,919,338</u>
Total fund balance	<u>2,919,338</u>
Total liabilities and fund balance	<u><u>\$ 2,957,610</u></u>

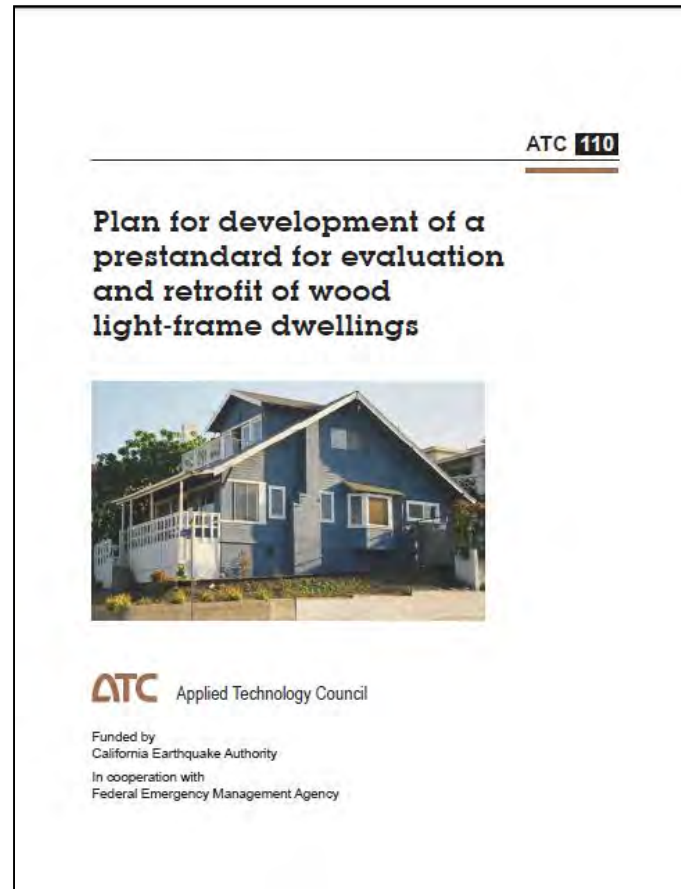
California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
Year-To-Date Ended March 31, 2015

Revenues:	
Contributions from members	\$ -
Total revenues	-
Expenditures:	
Administration and office expenses	29
Board meeting	338
Consumer incentives	23,943
EDP software	958
Insurance	1,121
Legal services	8,124
Marketing services	116,743
Telecommunications	14,800
Travel	5,920
Total expenditures	\$ 171,976
Net change in fund balance	(171,976)
Fund balance, beginning of year	3,091,314
Fund balance, end of year to date	\$ 2,919,338

**California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2015 Budget Year**

	(a)	(b)	(c)	(d) (d=a+b+c)	(e)	(f) (d-e=f)	(g) (g=e/d)
	<u>Approved 2015 Budget 1/1/2015</u>	<u>Adjustments thru 03/31/2015</u>	<u>Augmentations thru 03/31/2015</u>	<u>2015 Budget after Augmentations and Adjustments</u>	<u>Actual Expenditures as of 03/31/2015</u>	<u>Augmented & Adjusted Approved Budget (d) vs. Actual Expenses (e) as of 03/31/2015</u>	<u>Percentage used of Augmented & Adjusted Approved 2015 Budget</u>
Operating Expenses							
Human Resources							
Compensation and Benefits	-	-	-	-	-	-	-
Travel	22,000	-	-	22,000	5,920	16,080	73.1%
Board Meeting	5,000	-	-	5,000	338	4,662	93.2%
Administration & Office	35,500	-	-	35,500	29	35,471	99.9%
IT Administrative Support	65,300	-	-	65,300	15,758	49,542	75.9%
Insurance	75,000	-	-	75,000	1,121	73,879	98.5%
Total Operating Expenses	\$202,800	\$ -	\$ -	\$ 202,800	\$ 23,166	\$ 179,634	88.6%
Other Expenses							
Audit Services	145,000	-	-	145,000	-	145,000	100.0%
Grants (Consumer Incentives)	2,250,000	-	-	2,250,000	23,943	2,226,057	98.9%
Legal Services	250,000	-	-	250,000	8,124	241,876	96.8%
Marketing Services	500,000	-	-	500,000	116,743	383,257	76.7%
Promote Earthquake - Mitigation	15,000	-	-	15,000	-	15,000	100.0%
Total Other Expenses	\$ 3,160,000	\$ -	\$ -	\$ 3,160,000	\$ 148,810	\$ 3,011,190	95.3%
Total Budget Expenditures	\$ 3,362,800	\$ -	\$ -	\$ 3,362,800	\$ 171,976	\$ 3,190,824	94.9%

Guidelines Now Called Prestandard (document intended to be adopted into code)



Research: South Napa Earthquake



What happened to your house during the South Napa Earthquake?

WE WANT TO KNOW!

The CEA is conducting an online survey to find out what types of damage happened to your house in the earthquake.

The first 500 eligible homeowners that complete the online survey will receive a

\$25 gift card!

Just a few minutes of your time can help us improve programs for you to protect your home from future earthquake damage.

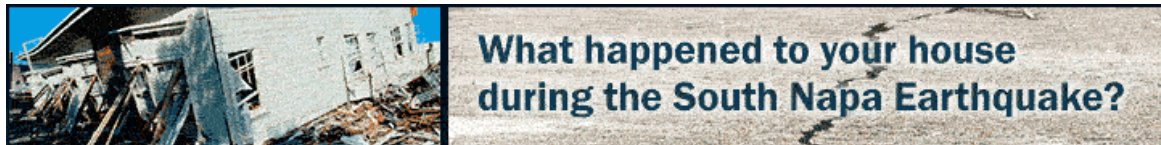
Hurry, the survey ends March 15, 2015.

El sondeo también está disponible en español.

See the back of this flyer for information on how to earn an additional \$50 gift card!

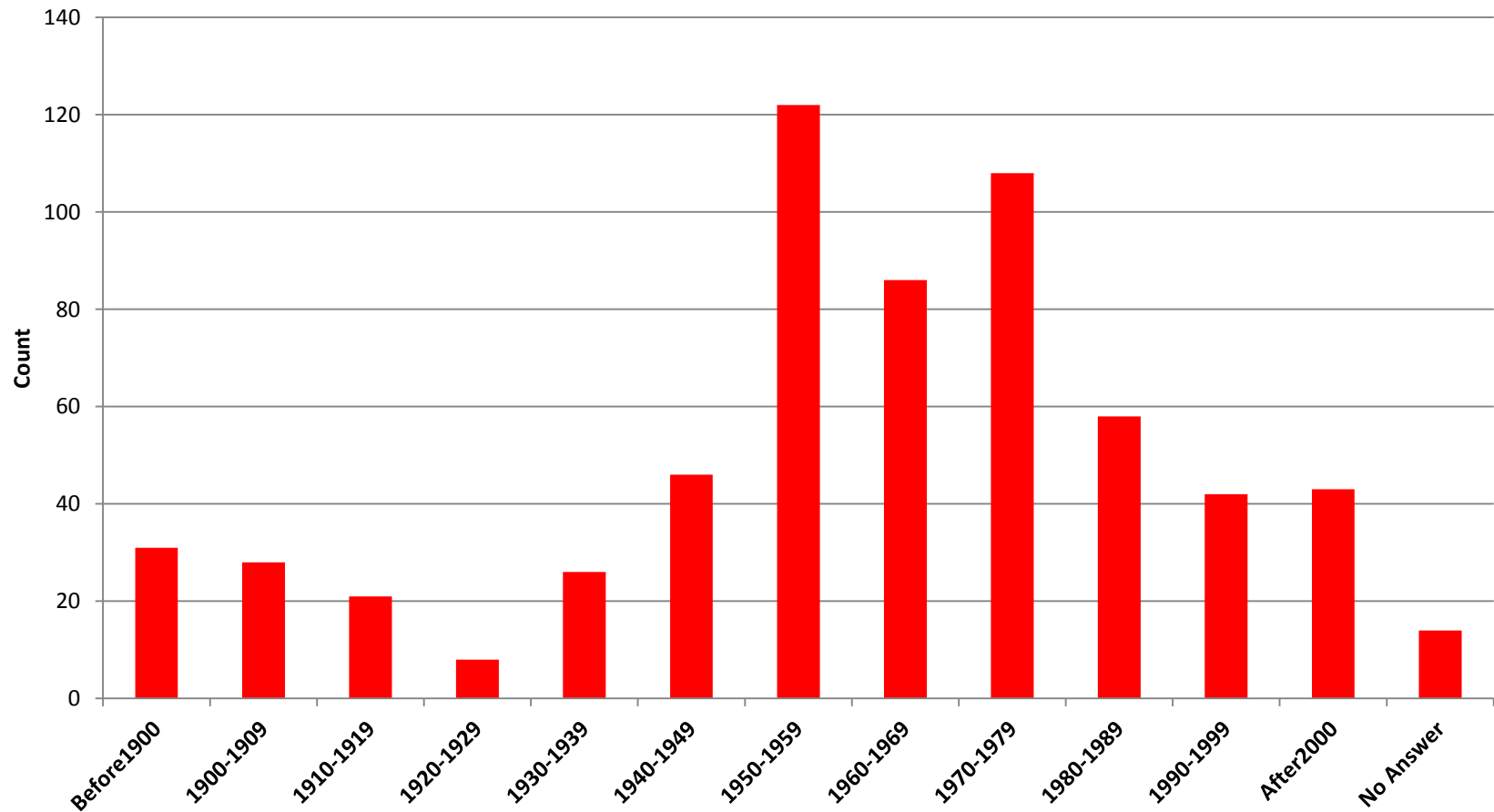
Sponsored by  In cooperation with 

Go to **EQsurvey.org**



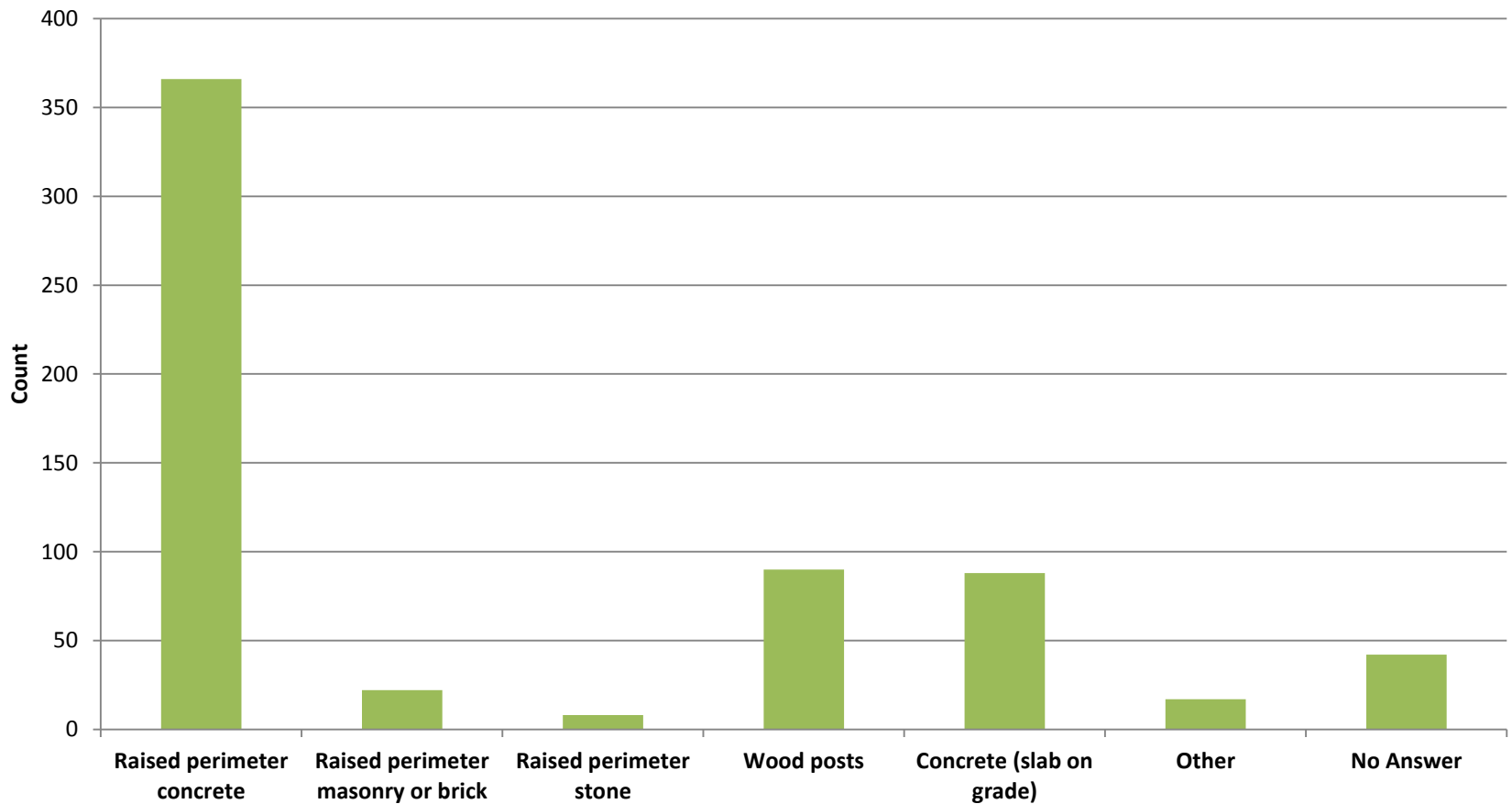
Research: South Napa Earthquake

Figure 2. Response count by reported age of house.



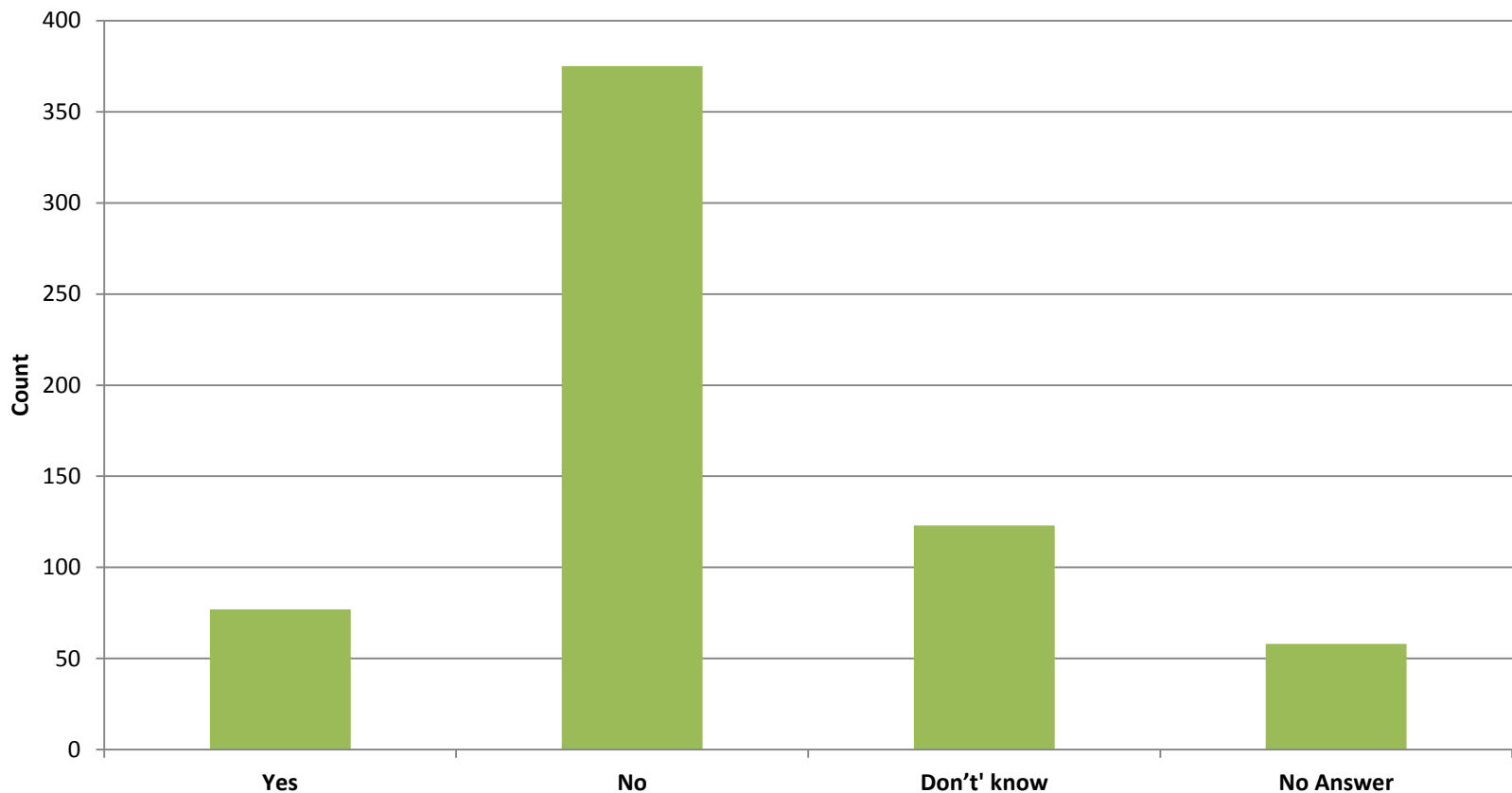
Research: South Napa Earthquake

Figure 5. Response count by reported type of foundation.



Research: South Napa Earthquake

Figure 6. Count of respondents reporting house was retrofitted prior to the August 24, 2015 earthquake.



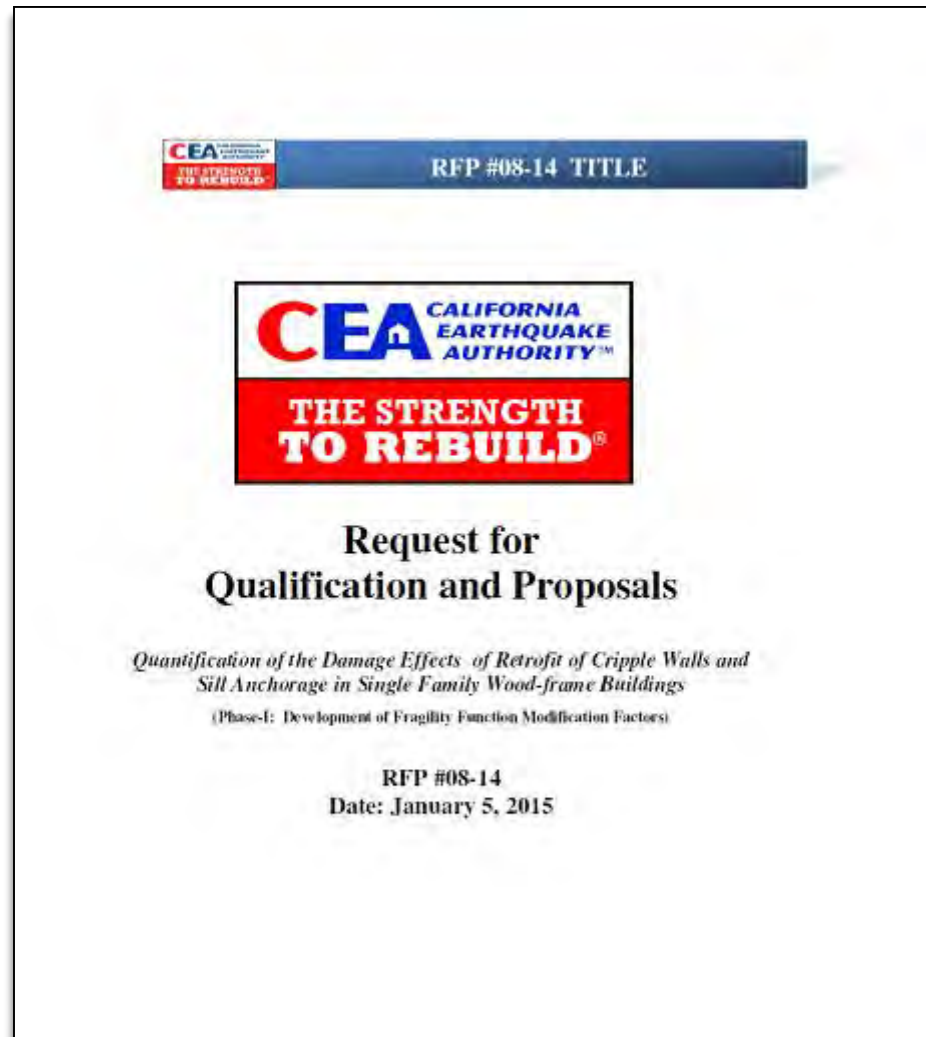
Research: South Napa Earthquake



Research: South Napa Earthquake



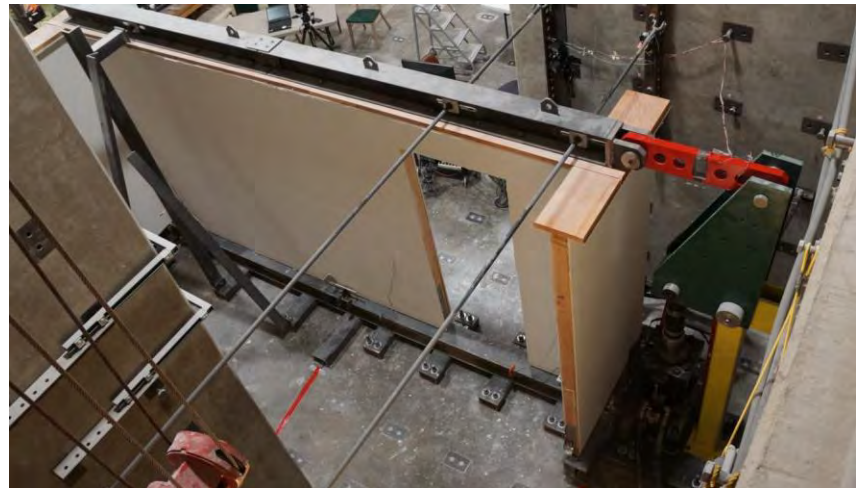
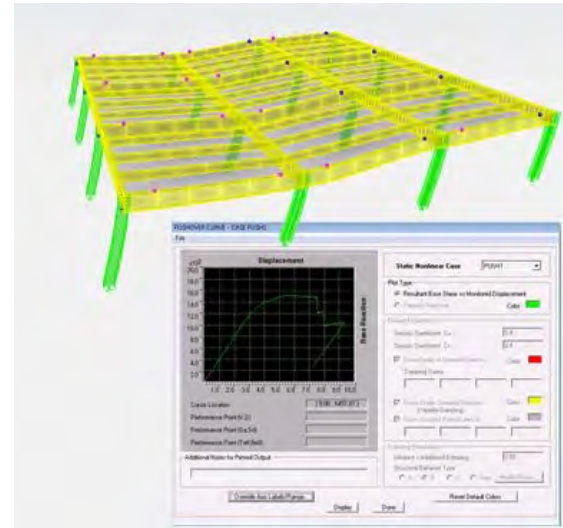
Research: Mitigation Discount



Research: Mitigation Discount

Schedule

- Submittals Due March 31, 2015
- Review process underway
- Interviews
- Contract award



The Numbers

- Oakland (100), San Francisco (75), Los Angeles (100), Santa Monica (75), Pasadena (125)
 - 22 completed retrofits
 - 121 with permits
- San Leandro (100) have until June 2 for permits
- Napa (75) participants notified April 20
 - June 19 permit deadline



Lessons Learned

- 4-Week “Contractor Selection and Permit Process” is too short.
 - Updated to 8 weeks
- Help homeowners through the process
 - Phone calls played a key role getting homeowners back on track
- Takes 2 participants to equal one completed retrofit.
- Updated Program Rules to clarify homeowner is grantee and must submit W-9.



Homeowner Quotes

“I thought it would be harder and take longer but the contractor I chose took care of everything and did it fast.”

Mark, Los Angeles

“I very much appreciated Celia's help with all my questions. This program is a great incentive to help prepare for the next earthquake. It gives me more peace of mind knowing my home is as prepared as it can be.”

Mat, Los Angeles

“Thank you so much!
We now feel much safer in our home and would never have been able to afford the retrofit without EBB support!”

Kelly, Los Angeles

“Great program!”

Patricia, Los Angeles



Other Updates

- Applying for FEMA's Hazard Mitigation Grant Program to retrofit houses in Napa.
- New EBB website will launch May 14.
- Social media will begin in May.



Watch an Animated Simulation of EBB Seismic Retrofit



Homeowners

Is your house earthquake-ready? If an earthquake happened today, would your house stay on its foundation? You may qualify for up to \$3,000 toward a seismic retrofit of your house.

[Learn More »](#)



Contractors

EBB encourages homeowners to use licensed contractors experienced in seismic retrofitting. EBB is free to contractors and to be included in the Contractor Directory all you have to do is take the online FEMA training provided.

[Learn more »](#)



Building Officials

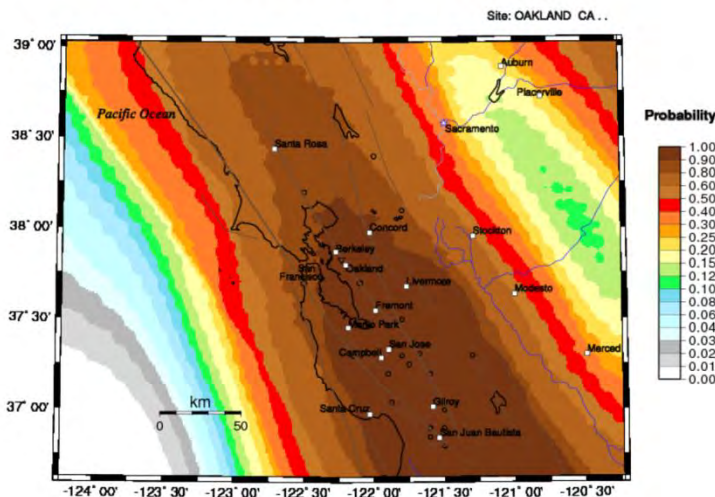
Building departments play a critical role in the success of EBB. Participating homeowners need to obtain a building permit signed by a building official who has inspected and confirmed the retrofit was done in accordance with Chapter A3.

[Learn more »](#)

Earthquake Brace Bolt Selection Process

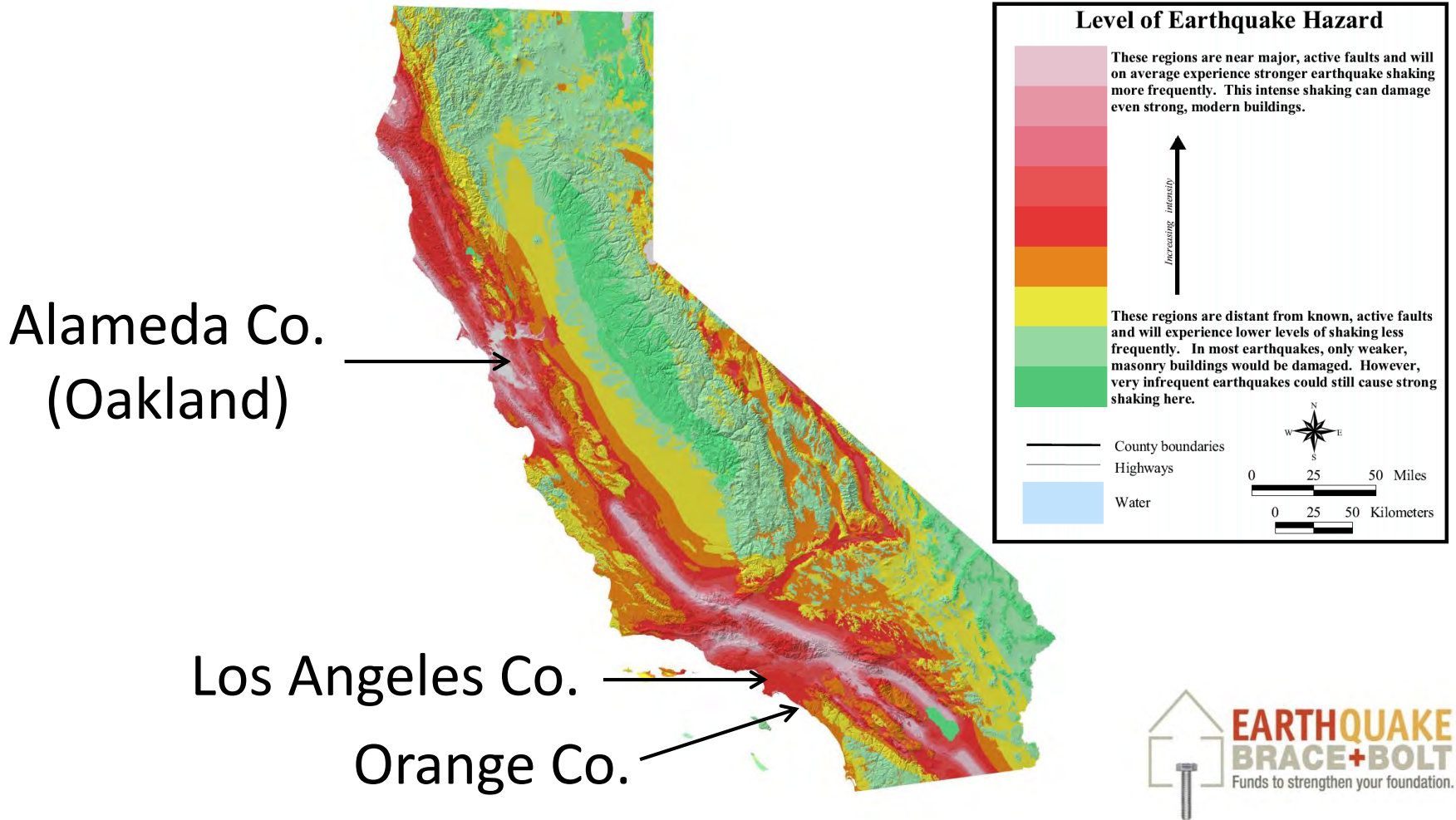
Risk = hazard x vulnerability

Probability of earthquake with M > 5.0 within 30 years & 50 km

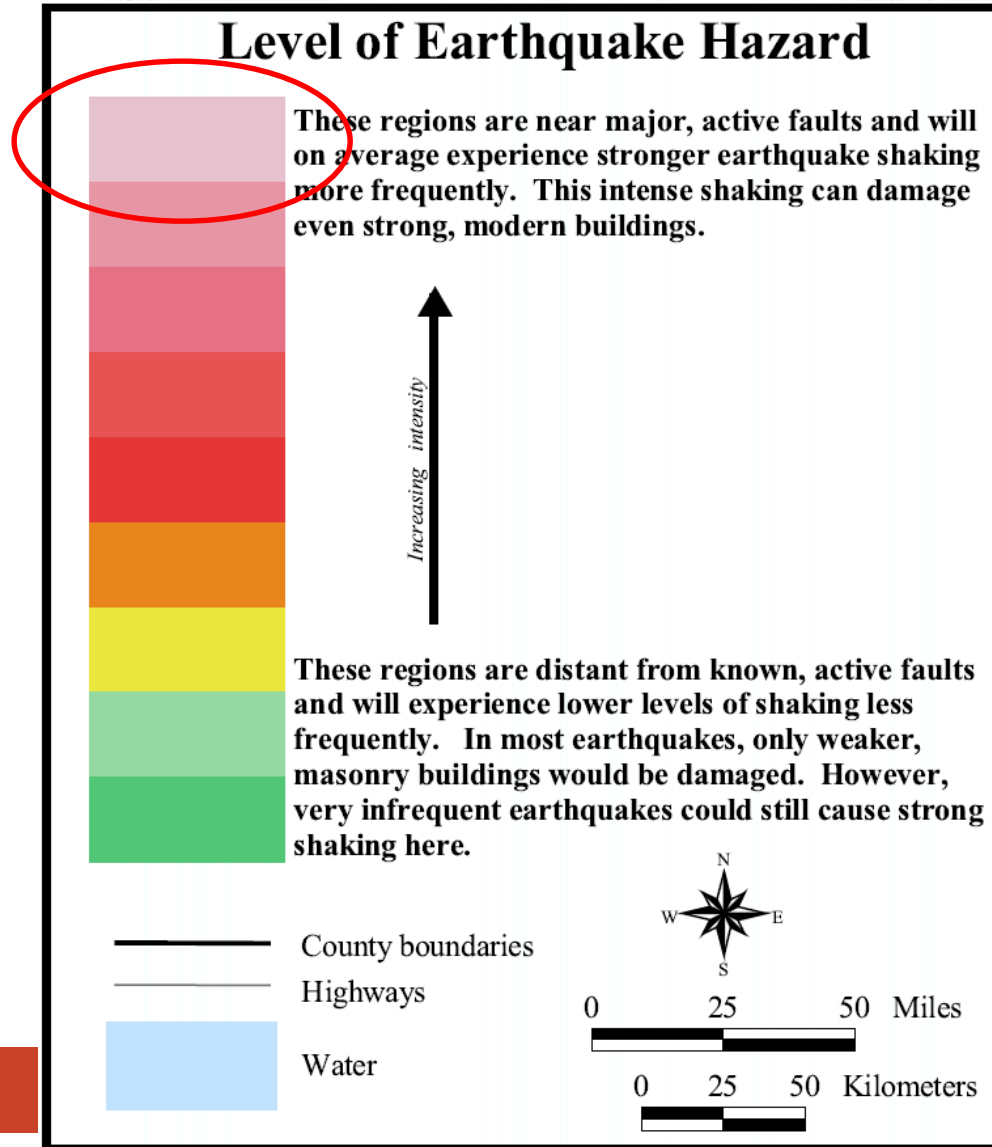


GM 2013 Oct23 22:28:43 EQ probabilities from USGS OFC 02-1126 P184. 50 km maximum horizontal distance. Site of interest: triangle. Fault names are arbitrary; rivers/blue. Epicenters blue/D circles.

CA Department of Conservation – Earthquake Shaking Potential for California



Potential by Counties

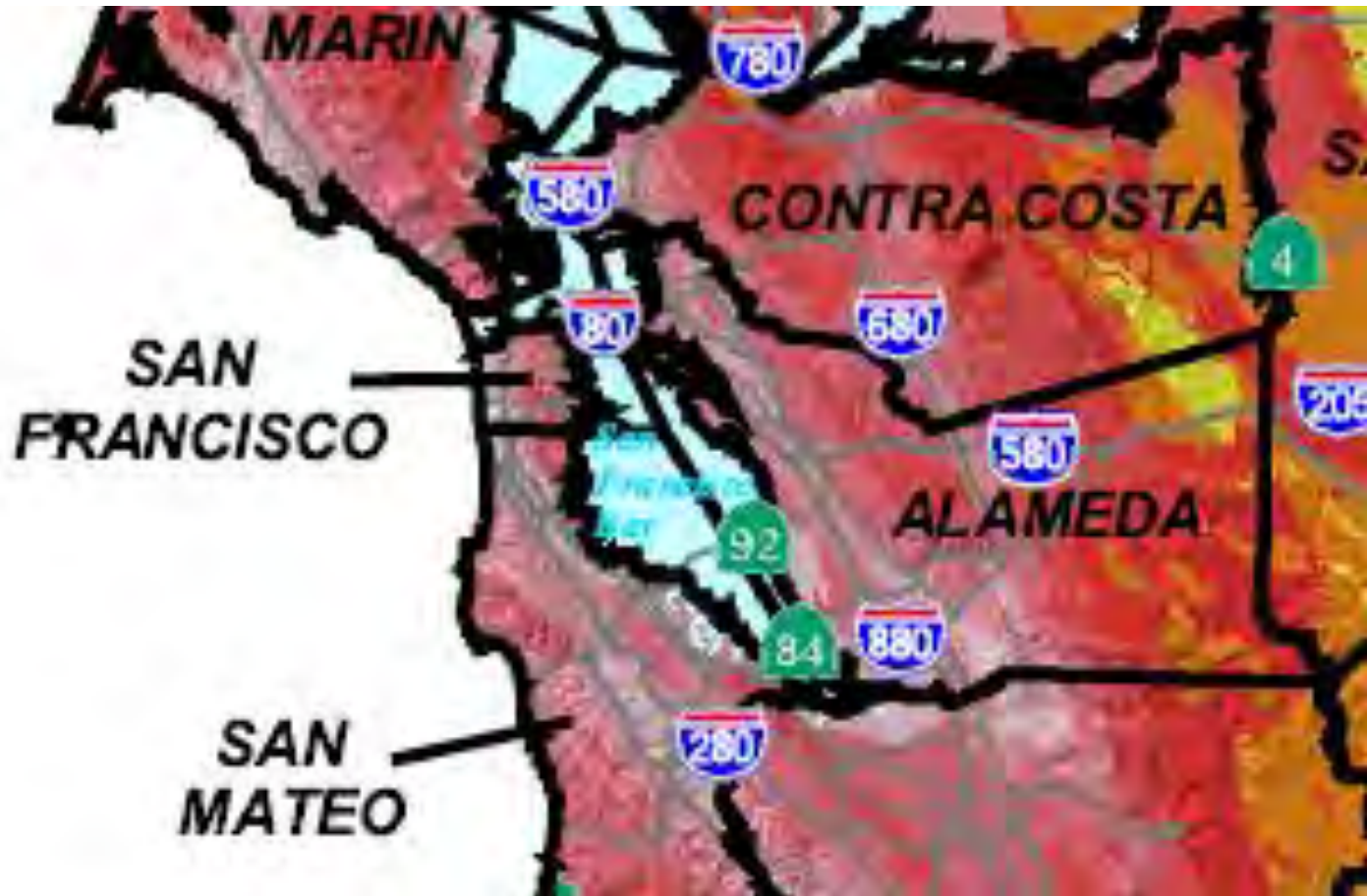


Source: CA Geological Survey (CGS)

**EARTHQUAKE
BRACE+BOLT**
Funds to strengthen your foundation.

akeBraceBolt.com

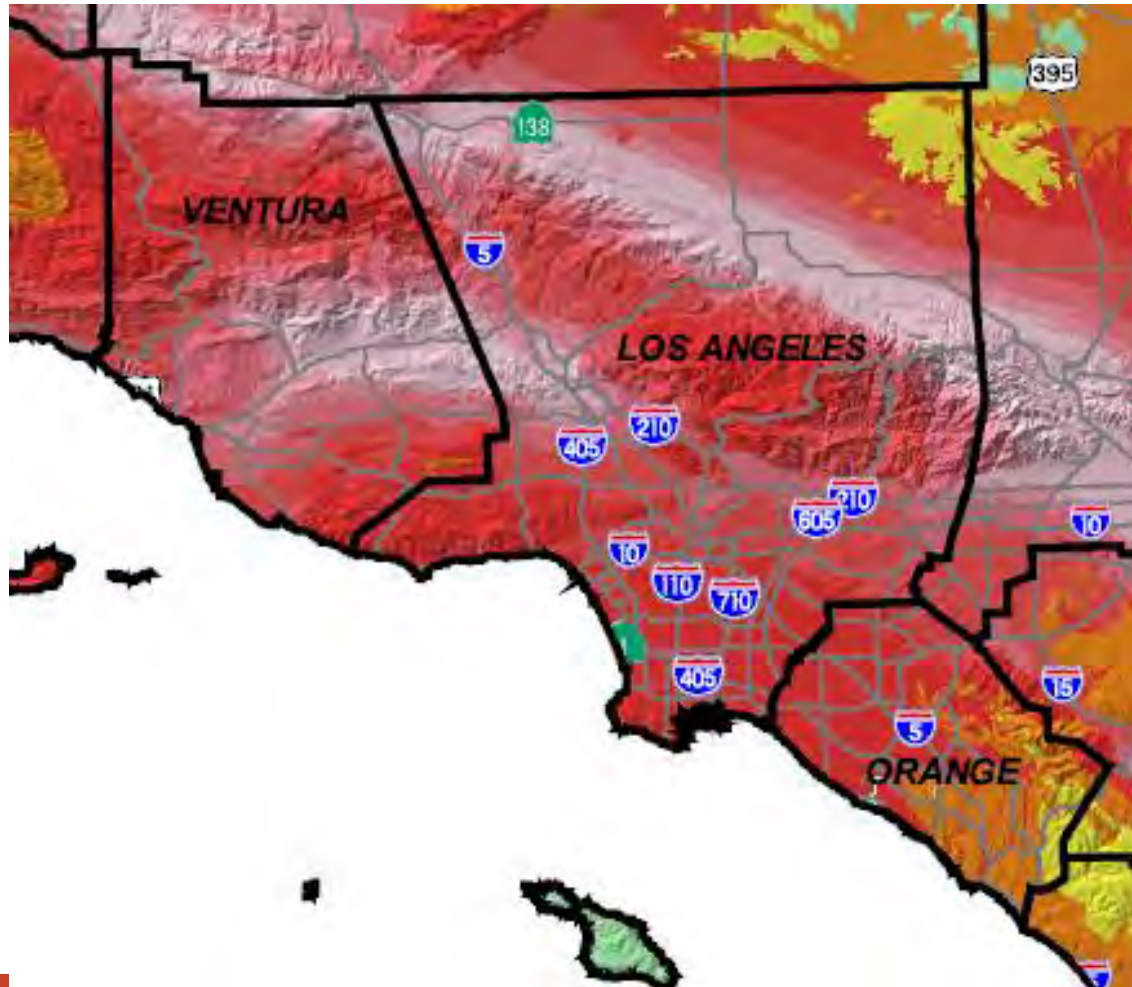
Earthquake Shaking Potential for Alameda County



Source: CA Geological Survey (CGS)

**UKE
BOLT**
your foundation.

Earthquake Shaking Potential for Los Angeles County



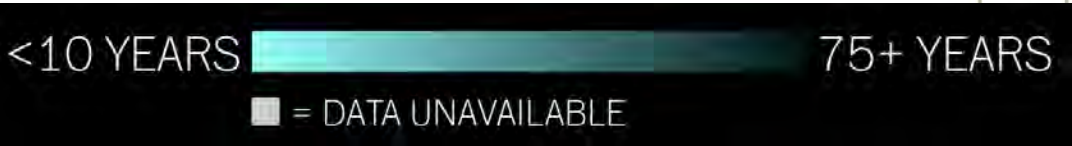
Source: CA Geological Survey (CGS)

EARTHQUAKE
BRACE+BOLT
and to strengthen your foundation.

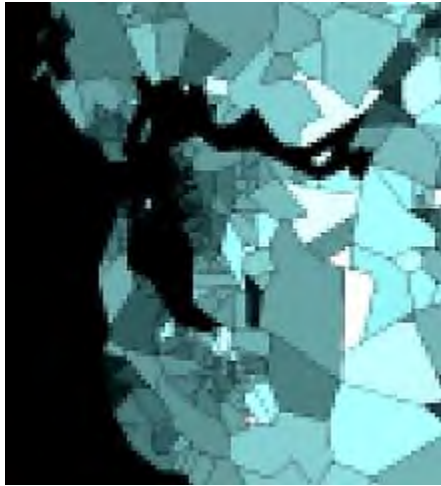
CA – Median Age of Housing by Zip Code



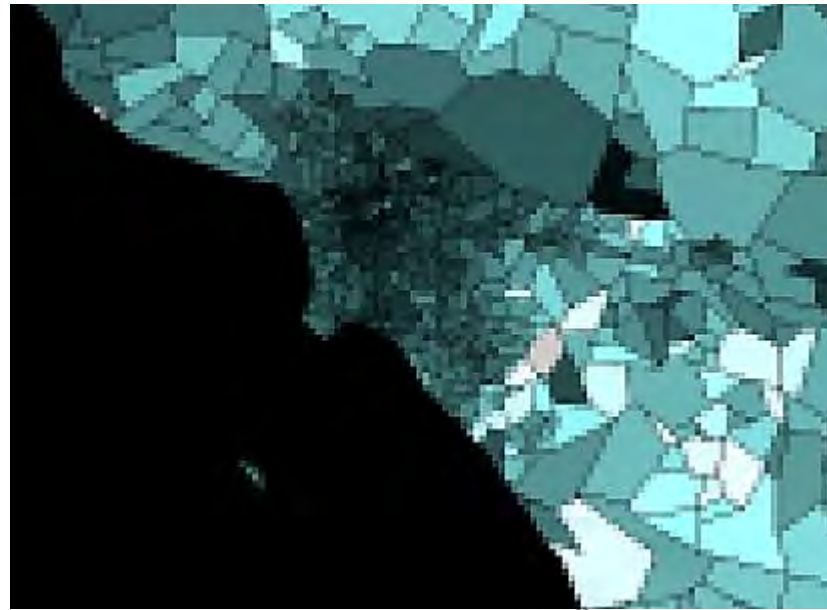
Source: Washington Post
Data from American
Community Survey



SF Bay Area and LA Median Age of Housing



SF Bay Area

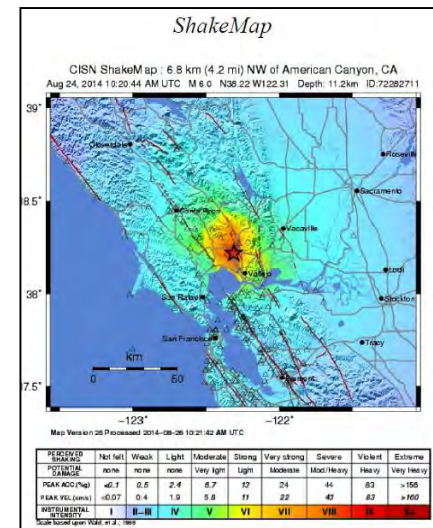
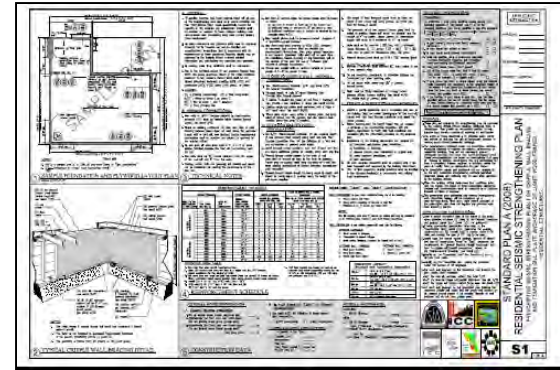


Los Angeles Area

AKE
OLT
oundation.

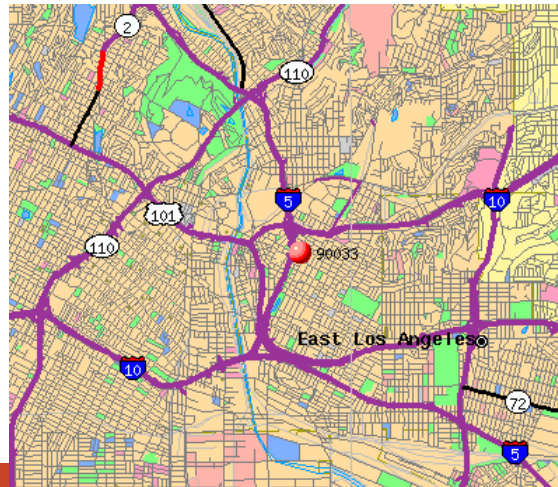
Earthquake Brace Bolt Selection Process

- Local government preparedness for the EBB program;
- Number of candidate homes in the ZIP code;
- Seismic risk in the ZIP code; and
- Recent significant earthquake in the ZIP code.



USPS Zip Codes

- Neighborhoods often don't have a defined boundary
- Each home has a unique zip code
 - There are 2,590 ZIP codes in California



Source: City-Data.com



Optimize with density of older homes in zip code

- Optimize marketing costs
 - Neighborhood connections
 - Optimize media
 - Utilize local government



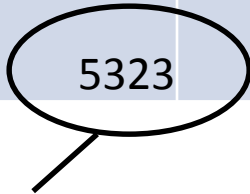
Example: Neighborhoods of LA



AKE
OLT
oundation.

Example: Sample Selection Table

Location	Population	Number of Houses	Number built before 1940	Percentage	Number of Houses
Arroyo Seco	15,691	5,126	1,797	0.35	10
Artists District	1,522	1,303	137	0.11	
Atwater	28,818	8,089	309	0.04	
Atwater Village	16,685	8,629	3,080	0.36	10
		23,147	5323		



Source: US Census


Total no. of older homes

Calculations

No. of Homes per Area
(% of Total Pro Rated for Population of Region)



City	Population	Housing Units	Percent Multi-Family	Percent Single-Family	No. of Single-Family	Median Household Income	Med Value Home	Homeownership		0.0040%	
	18,969	7,889	44.90%	55%	4,347	\$73,728	\$626,000	46.70%		17	50
	10,335	6,646	87.80%	12%	811	\$66,136	\$315,900	37.00%		3	50
	196,021	76,269	58.60%	41%	31,575	\$54,369	\$597,000	39.20%		126	200
	149,392	48,296	35.00%	65%	31,392	\$62,313	\$336,300	53.50%		126	200
	3,857,799	1,413,995	54.40%	46%	644,782	\$49,745	\$470,000	38.00%		2579	2400
	10,017,068	3,444,342	42.10%	58%	1,994,274	\$56,241	\$443,300	29.50%			100
	400,740	169,710	51.90%	48%	81,631	\$51,683	\$449,800	41.00%		327	320
	197,899										
	138,547	59,551	48.90%	51%	30,431	\$68,310	\$620,600	44.60%		122	125
	150,812	40,685	27.20%	73%	29,619	\$48,864	\$272,600	54.80%		118	120
	106,516	35,983	37.40%	63%	22,525	\$54,657	\$303,200	50.50%		90	90
	0	0	44.20%	56%	0	\$63,990	\$451,800	48.30%		150	150
	86,890	32,419	31.10%	69%	22,337	\$62,195	\$386,800	56.50%		89	100
	0	0	67.40%	33%	0	\$73,802	\$750,900	36.90%		75	75
	91,812	50,912	76.60%	23%	11,913	\$72,271	\$992,100	28.70%		48	75
										3870	4055
Subtotal No Cal	772,842	300,943			163,043						
Subtotal So Cal	4,284,179	1,524,458			687,126						
Subtotal	5,405,732	1,942,355			911,362	\$802,063	\$6,573,000	576%			
Number	14	14	14	14	14	14	14	14	15		
Avg	386,124	138,740				\$57,290	\$469,500	41.12%			
CA	37,999,878	13,680,081	30.90%	69.10%	9,452,936	\$61,400	\$383,900	56.00%			
%	14.2%	14.2%			9.6%	93.3%	122.3%	73.4%			

Not including LA County



Next Steps

- Expand within current zip codes
- Propose 2016 zip codes (next BOD meeting)
- Continue to pursue additional funding



Recommendation

- Open additional EBB spots for homeowners waitlisted in current areas.
 - Sept to Oct: 30-day opt-in period
 - Oct through Nov: contractor selection & permit period
 - December through May 2016: complete retrofit



CALIFORNIA RESIDENTIAL MITIGATION PROGRAM

GOVERNING BOARD MEETING DATES FOR 2015

Meeting Date	Location
February 3 1:00 PM	California Earthquake Authority 801 K Street, Suite 1000 Sacramento, CA 95814
April 21 1:00 PM	California Governor's Office of Emergency Services (Cal OES) 3650 Schriever Avenue Mather, California 95655
July 28 1:00 PM	California Earthquake Authority 801 K Street, Suite 1000 Sacramento, CA 95814
September 22 1:00 PM	California Governor's Office of Emergency Services (Cal OES) 3650 Schriever Avenue Mather, California 95655
November 10 1:00 PM	California Earthquake Authority 801 K Street, Suite 1000 Sacramento, CA 95814

Inquiries and General Information:

Celia Luna
(916) 661-5520 (Direct)
celia_luna@calquake.com

Media Contact:

Sheri Aguirre
(916) 661-5574 (Direct)
sheri_aguirre@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 Celia Luna by telephone at (916) 661-5520 or by email at celia_luna@calquake.com. We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.

CRMP Governing Board Memorandum

July 28, 2015

Agenda Item 3: Executive Report by Executive Director Janiele Maffei

Recommended Action: No Action Necessary

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

CRMP Governing Board Memorandum

July 28, 2015

Agenda Item 4: Finance Update

Recommended Action: No Action Necessary

CRMP Treasurer Tim Richison will present an update on CRMP finances.

**California Residential Mitigation Program
(CRMP)**

**FINANCIAL
REPORT**

**BOARD MEETING
Tuesday, July 28, 2015**

**California Residential Mitigation Program
Balance Sheet
as of May 31, 2015**

Assets

Cash and cash equivalents	\$ 738,283
Due from CEA	<u>2,000,000</u>
Total assets	<u><u>\$ 2,738,283</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>\$ 38,271</u>
Total liabilities	<u>38,271</u>

Fund Balance:

Unassigned	<u>2,700,012</u>
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Total fund balance	<u>2,700,012</u>
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Total liabilities and fund balance	<u><u>\$ 2,738,283</u></u>
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**California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year-to-Date Ended May 31, 2015**

Revenues:

Contributions from members	\$	-
Total revenues		-

Expenditures:

Administration and other office expenses	\$	189
Board meeting		703
Grants (consumer incentives)		141,790
IT administration support		25,365
Insurance		1,121
Legal services		37,753
Marketing services		177,678
Travel		6,703

Total expenditures	\$	391,302
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Net change in fund balance		(391,302)
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Fund balance, beginning of year		3,091,314
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Fund balance, end of year to date	\$	2,700,012
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**California Residential Mitigation Program
2015 Budget to Actual CRMP
For the Five Months Ending May 31, 2015
California Residential Mitigation Program**

Target Percentage Remaining as of May 2015 is 58.33%

	Annual Budget 2015	Used Budget \$	Remaining Budget \$	Remaining Budget %
Human Resources:				
Compensation & Benefits:				
Travel				
CEA Contracted Employee	\$10,000	\$3,155	\$6,845	68.5%
Non-CEA-Employee	12,000	3,547	8,453	70.4%
Other:				
General Office:				
Board/Panel Services				
Board & Panel General	5,000	703	4,297	85.9%
Administration & Office				
Advertising Administration	10,000		10,000	100.0%
Office Supplies	2,000		2,000	100.0%
Printing & Stationery	500		500	100.0%
Postage	1,500	29	1,471	98.1%
Shipping & Deliveries	500		500	100.0%
Sponsorships	12,000		12,000	100.0%
Subscriptions	1,200	160	1,040	86.7%
IT Administrative Support:				
EDP Software	300	2,142	(1,842)	-614.0%
Information Technology	7,800	3,623	4,177	53.6%
Telecommunications	65,000	19,600	45,400	69.8%
Other Operating Expenses:				
Insurance	75,000	1,121	73,879	98.5%
Total Operating Expenses	202,800	34,080	168,720	83.2%
Audit Services	145,000		145,000	100.0%
Earthquake - Loss Mitigation:				
Grants	2,250,000	141,790	2,108,210	93.7%
Legal Services:				
Legal Services - Non-Claims	250,000	37,753	212,247	84.9%
Marketing:				
Marketing Services	500,000	177,678	322,322	64.5%
Promote Earthquake-Loss Mitigation	15,000		15,000	100.0%
Research:				
Other:				
Total Other Expenses	3,160,000	357,221	2,802,779	88.7%
Total Budget Expenditures	3,362,800	391,301	2,971,499	88.4%

CRMP Governing Board Memorandum

July 28, 2015

Agenda Item 5: CRMP Insurance Coverage Update

Recommended Action: No Action Necessary

CRMP Treasurer Tim Richison will present an update on CRMP insurance coverage.

CRMP Governing Board Memorandum

July 28, 2015

Agenda Item 6: CRMP business plan updates

Recommended Action: Approve revised business plan

Executive Director, Janiele Maffei and CRMP Legal Counsel, Bill Donovan will present the following for Board action and/or information.

The governing board is required by the CRMP Joint Exercise of Powers Agreement to review and update the CRMP business plan no less frequently than annually. The business plan was last updated in July, 2014. Attached is a copy of the business plan that has been marked to show proposed updates, together with a clean copy incorporating all of those proposed changes.

Recommendation: Approve revised business plan

Business Plan

California Residential Mitigation Program (CRMP)

1. Program Overview

Both the California Office of Emergency Services (Cal OES) and the California Earthquake Authority (CEA) are authorized to assist California dwelling owners who wish to retrofit their dwellings to protect against earthquake damage. The CEA and Cal OES entered into a joint exercise of powers agreement to create the California Residential Mitigation Program (CRMP) to carry out a joint mitigation program.

The purpose of the CRMP program is to accept and disburse funds that will be used to provide grants and other types of assistance and incentives to the owners of single family residential buildings (one to four dwelling units) in California who wish to retrofit their dwellings to protect against earthquake damage.

The program will be limited to funding dwelling retrofit expenses that:

1. strengthen cripple walls to enable them to function as shear elements, significantly protecting the dwelling from collapsing;
2. bolt sill plates to the foundation, enabling the dwelling to remain in place, rather than sliding off the foundation during an earthquake; and
3. properly strap the water heater to reduce the likelihood of water and fire damage, and to protect the water supply.

A. CA Building Code for retrofitting existing residential buildings

The retrofit work funded by CRMP *is to conform to California law (Appendix Chapter A3 to California Building Code, Title 24, Part 2).* ~~will be aided by the adoption by the California Building Standards Commission on August 16, 2010 of the first ever statewide California building code covering seismic retrofitting of certain residential structures.~~ The retrofit work will also be subject to any more restrictive local requirements and to the permitting and inspection process of local jurisdictions.

B. Contractor education and requirements

One of the critical elements of the CRMP program is to encourage and support work performed by private sector contractors who have received specialized residential seismic retrofit education. Accordingly, the program will *continue to* include:

1. an online contractor-education module to illustrate and instruct how to properly perform residential retrofits that meet all applicable residential-retrofit building codes;

2. a public list of contractors that have successfully completed the education module, to be made available online to dwelling owners; ~~and~~
3. a requirement that each listed contractor *confirm that it is a licensed contractor in the State of California in good standing and that it make available to CRMP, on request, evidence that it:*
 - a. has in force a current California contractor’s license in a field reasonably related to residential retrofit work on single-family dwellings in California;
 - b. has in force a current construction bond that meets or exceeds the statutory requirement;
 - c. retains evidence of current workers’ compensation insurance for all employees of the contractor; *and*
 - ~~d. has participated in educational programs covering residential retrofitting procedures that prepare the contractor and its employees to perform residential retrofits in a workmanlike manner;~~
 - ~~e. use and supply bid forms and CRMP program materials in approved or otherwise acceptable formats for use with building owners; and~~
 - ~~f. demonstrates a commitment to work within the local jurisdiction’s building-construction permitting and inspection processes; and~~
4. *removal of a contractor from the CRMP list of contractors at the sole discretion of CRMP in the event CRMP determines that the contractor has failed to meet the requirements listed in (3) above or is using CRMP’s trademark or anything similar to it or the phrase “Brace + Bolt” in a manner that implies to homeowners that the contractor is affiliated with CRMP beyond being a CRMP-registered contractor.*

C. Management team

CRMP is a legally separate entity from its members. It has a governing board consisting of two members appointed by the CEA and two members appointed by Cal OES.

Overall responsibility for operations has been delegated by the governing board to the Executive Director in a governing board resolution authorizing the Executive Director to take all necessary and appropriate actions to implement the business plan adopted by the governing board as updated from time to time with the following limitations:

1. obtain prior approval of the governing board for contracts that either (a) involve a cost or obligation to CRMP greater than \$100,000 annually (or if the contract is not for a set amount, where the obligation is likely to exceed \$100,000 annually); or (b) have a duration or likely duration greater than 12 months;
2. obtain prior approval of the governing board before commencing litigation or arbitration proceedings; and
3. obtain prior approval of the governing board for the annual budget of CRMP.

The Executive Director is authorized to operate CRMP within the framework established by law and the joint exercise of powers agreement that formed CRMP and in accordance with rules and policies adopted by the governing board, including the CRMP Procurement Guidelines and Contracting Manual and the CRMP Expenditures Procedures Manual.

The Executive Director is expected to:

1. endeavor continually to identify emerging legal, economic, political, social, technological, and marketplace trends that are likely to affect CRMP's fulfillment of its mission, its operations, solvency, and management and bring to the attention of the governing board all matters that are sensitive in nature or that have a significant policy impact;
2. advise the governing board on all matters pertaining to CRMP;
3. cooperate with and act as liaison between and among the governing board, the CRMP staff, the members of CRMP and their staffs, departments and agencies of the State of California, the Legislature, the Governor, the Treasurer, the Insurance Commissioner, and other [state](#) officers;
4. present to the governing board (with recommendations) policies, rules, and proposed actions to carry out the provisions of laws that apply to CRMP programs;
5. submit to the governing board reports, resolutions, and procedures, and make recommendations for legislative action on changes in CRMP's programs and efforts in connection with the laws that govern the administration of CRMP;
6. maintain membership in and participate in the proceedings of state, national and other organizations in the field of earthquake loss mitigation for the purpose of keeping abreast of developments in that field and any and all related fields or endeavors—membership and participation includes traveling to and attending meetings of those organizations, as appropriate, and the Executive Director may designate any staff members (or, as appropriate, a contracted CRMP vendor or consultant) to carry out these delegated duties;
7. in consultation with the governing board as needed, act as the primary spokesperson for CRMP [to](#) the public and appear before and offer testimony to Legislative committees and address other groups to inform them of the operations, programs, and policies of CRMP as well as positions taken by the governing board (if any) on proposed laws and other issues;
8. prepare proposed updates to the CRMP business plan no less frequently than annually and submit the updates to the governing board for consideration and approval;
9. oversee, direct, and monitor the performance of services from all CRMP contractors, vendors, consultants, and advisors;
10. accept service of summons and any other legal service of process for and on behalf of the governing board and CRMP; and

11. execute all documents and authorizing the issuance of instructions to accomplish the Executive Director's authorized responsibilities and duties.

Under its overall authority and responsibility to administer CRMP, the governing board will retain the following powers:

1. deliberate on and adopt basic policy and policy initiatives of CRMP;
2. review and adopt the annual budget of CRMP and approve significant budget changes;
3. review and adopt the CRMP business plan, approve significant deviations from or actions not in the plan, and review and update the business plan no less frequently than annually;
4. approve contracts that fall outside the scope of authority delegated to the Executive Director;
5. conduct, ~~or delete~~ *delegate* responsibility for, annual performance reviews of key staff; and
6. review and approve litigation and arbitration proceedings.

CRMP may employ or contract for staff and consultants as required to administer the program and will contract with private-sector organizations for the services described below. Management oversight of the program will be provided by the governing board of CRMP through the chief mitigation officer of the CEA. Cal OES, through its seats on the governing board, will have input into the direction taken by CRMP. No staffing will be provided by Cal OES.

Under California law, the debts, liabilities, and obligations of CRMP will not be debts, liabilities, or obligations of either of its members. CRMP will purchase insurance, including tort liability insurance and errors and omissions insurance for CRMP, its members, its officers and employees, and the officers and employees of the CEA who provide services to CRMP. The CEA and Cal OES will be named in the tort liability insurance policy as additional insureds. The terms and cost of such insurance must be acceptable to the CEA and to Cal OES.

2. Program Funding

Funding for CRMP will be provided by voluntary advances, contributions, or grants. ~~It is expected that funds will be released to CRMP in increments as needed by CRMP. Funds from each funding source will identified and tracked in a manner that permits CRMP to separately account for funds from each funding source. CRMP's program rules will be~~

modified as necessary to reflect restrictions and requirements relating to new funding sources.

A. CEA contributions

The CEA plans to *continue to* contribute funds to CRMP in support of the CRMP program from the CEA's Earthquake Loss Mitigation Fund, ~~which has a current balance of approximately \$25,000,000 and is authorized to receive up to \$5,000,000 annually under present law~~; the amount and timing of CEA contributions is within the sole discretion of the CEA. Funding provided by the CEA may be used for CRMP administrative and operating expenses in addition to direct program expenses. The CEA contributions will be used for the program described at www.earthquakebracebolt.com.

B. Multi-Hazard Mitigation Plan *and* FEMA grants ~~and other third party funding~~

Cal OES will maintain the State of California Multi-Hazard Mitigation Plan, which is required by federal law in order for the State to receive federal funds for mitigation, disaster recovery and fire suppression. Cal OES shall not contribute to the CRMP funds appropriated to Cal OES in the state budget. Cal OES, the CEA, and CRMP plan to seek federal ~~and other third party funding for the program, such as~~ matching funds under FEMA's earthquake hazards reduction assistance program *and other FEMA funding sources*. ~~CRMP will and may direct such third party provided funds to CRMP with the prior written consent of the CEA and Cal OES.~~

C. Other third party funding

Grant funds for the CRMP program will be sought from state and other sources and will be accepted if the funding source and any accompanying restrictions and requirements are approved by the governing board of CRMP with the prior written consent of the CEA and Cal OES.

3. Program Decisions to be made by the CRMP Governing Board

A series of decisions concerning the CRMP program has been or will be made by the governing board of CRMP.

~~A. Approve program administration~~

~~The CRMP Executive Director has been authorized to manage the CRMP program.~~

1. ~~CRMP has contracted with a private firm to develop the CRMP websites.~~
2. ~~CRMP has contracted with a private firm to provide special inspections of the pilot program sites and a sample of the statewide program's sites.~~
3. ~~CRMP will utilize CEA staff as required to administer the program.~~
4. ~~CRMP will focus on the following:~~
 - a. ~~educating dwelling owners about their options to structurally strengthen their dwellings;~~
 - b. ~~informing dwelling owners about any funding that is available to encourage participation in the CRMP program;~~
 - c. ~~making available an application for dwelling owners who want to participate in the CRMP program;~~
 - d. ~~educating contractors about the CRMP program;~~
 - e. ~~educating building inspection authorities about the CRMP program;~~
and
 - f. ~~informing, and productively working with, all interested parties about the CRMP program.~~

~~B. Approve education program~~

~~There will be an online retrofit education module for contractors based on materials provided by FEMA.~~

~~C. Approve consumer incentive protocols~~

~~The governing board will be asked to approve funding to support programs designed to encourage dwelling owners to participate in retrofit activities and submit application forms to participate voluntarily in the CRMP program.~~

~~D. Authorize demonstration retrofits~~

~~The governing board has authorized pilot program demonstration retrofits in Southern California and Northern California, the goal of which will be to assemble and display photographs and video interviews with dwelling owners, contractors, and building officials that can later be used to publicize, promote, and market the CRMP program.~~

~~Once the pilot program demonstration retrofits are completed, the Executive Director will evaluate the results with assistance from a private firm hired to provide pilot program evaluation services and report to the governing board to permit changes in the CRMP program before the pilot program is expanded or the program is launched statewide.~~

A. Approve marketing plan

The governing board will be asked to approve the ZIP codes in which dwelling owners will be invited to submit application forms to participate in the CRMP program and the related marketing plans.

B. Approve budget and cash flow plan

The governing board will consider budget and cash-flow plans from time to time. ~~The plans are expected to provide that funds will be released in increments to contractors pursuant to their respective contracts and that CRMP will release funds to dwelling owners as retrofits are completed and applicable requirements of CRMP are met.~~

C. Evaluate Program Results

The governing board will evaluate CRMP program results from time to time. One element of that evaluation will be reports from the Executive Director. ~~Among other things, the Executive Director will be required to establish and report on a quality review process in which a certain number of completed retrofits are re-inspected by the special inspection firm to ensure that the program requirements have been followed, the contractor has done appropriate work, and local authorities have provided appropriate inspections and sign-off.~~

IV. Other Programs

The CRMP program will not preclude Cal OES or the CEA from establishing and operating other mitigation projects or programs.

Business Plan

California Residential Mitigation Program (CRMP)

1. Program Overview

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A. CA Building Code for retrofitting existing residential buildings

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One of the critical elements of the CRMP program is to encourage and support work performed by private sector contractors who have received specialized residential seismic retrofit education. Accordingly, the program will continue to include:

1. an online contractor-education module to illustrate and instruct how to properly perform residential retrofits that meet all applicable residential-retrofit building codes;
2. a public list of contractors that have successfully completed the education module, to be made available online to dwelling owners;

3. a requirement that each listed contractor confirm that it is a licensed contractor in the State of California in good standing and that it make available to CRMP, on request, evidence that it:
 - a. has in force a current California contractor's license in a field reasonably related to residential retrofit work on single-family dwellings in California;
 - b. has in force a current construction bond that meets or exceeds the statutory requirement;
 - c. retains evidence of current workers' compensation insurance for all employees of the contractor; and
 - d. demonstrates a commitment to work within the local jurisdiction's building-construction permitting and inspection processes; and
4. removal of a contractor from the CRMP list of contractors at the sole discretion of CRMP in the event CRMP determines that the contractor has failed to meet the requirements listed in (3) above or is using CRMP's trademark or anything similar to it or the phrase "Brace + Bolt" in a manner that implies to homeowners that the contractor is affiliated with CRMP beyond being a CRMP-registered contractor.

C. Management team

CRMP is a legally separate entity from its members. It has a governing board consisting of two members appointed by the CEA and two members appointed by Cal OES.

Overall responsibility for operations has been delegated by the governing board to the Executive Director in a governing board resolution authorizing the Executive Director to take all necessary and appropriate actions to implement the business plan adopted by the governing board as updated from time to time with the following limitations:

1. obtain prior approval of the governing board for contracts that either (a) involve a cost or obligation to CRMP greater than \$100,000 annually (or if the contract is not for a set amount, where the obligation is likely to exceed \$100,000 annually); or (b) have a duration or likely duration greater than 12 months;
2. obtain prior approval of the governing board before commencing litigation or arbitration proceedings; and
3. obtain prior approval of the governing board for the annual budget of CRMP.

The Executive Director is authorized to operate CRMP within the framework established by law and the joint exercise of powers agreement that formed CRMP and in accordance with rules and policies adopted by the governing board, including the CRMP Procurement Guidelines and Contracting Manual and the CRMP Expenditures Procedures Manual.

The Executive Director is expected to:

1. endeavor continually to identify emerging legal, economic, political, social, technological, and marketplace trends that are likely to affect CRMP's fulfillment of its mission, its operations, solvency, and management and bring to the attention of the governing board all matters that are sensitive in nature or that have a significant policy impact;
2. advise the governing board on all matters pertaining to CRMP;
3. cooperate with and act as liaison between and among the governing board, the CRMP staff, the members of CRMP and their staffs, departments and agencies of the State of California, the Legislature, the Governor, the Treasurer, the Insurance Commissioner, and other [state](#) officers;
4. present to the governing board (with recommendations) policies, rules, and proposed actions to carry out the provisions of laws that apply to CRMP programs;
5. submit to the governing board reports, resolutions, and procedures, and make recommendations for legislative action on changes in CRMP's programs and efforts in connection with the laws that govern the administration of CRMP;
6. maintain membership in and participate in the proceedings of state, national and other organizations in the field of earthquake loss mitigation for the purpose of keeping abreast of developments in that field and any and all related fields or endeavors—membership and participation includes traveling to and attending meetings of those organizations, as appropriate, and the Executive Director may designate any staff members (or, as appropriate, a contracted CRMP vendor or consultant) to carry out these delegated duties;
7. in consultation with the governing board as needed, act as the primary spokesperson for CRMP [to](#) the public and appear before and offer testimony to Legislative committees and address other groups to inform them of the operations, programs, and policies of CRMP as well as positions taken by the governing board (if any) on proposed laws and other issues;
8. prepare proposed updates to the CRMP business plan no less frequently than annually and submit the updates to the governing board for consideration and approval;
9. oversee, direct, and monitor the performance of services from all CRMP contractors, vendors, consultants, and advisors;
10. accept service of summons and any other legal service of process for and on behalf of the governing board and CRMP; and

11. execute all documents and authorizing the issuance of instructions to accomplish the Executive Director's authorized responsibilities and duties.

Under its overall authority and responsibility to administer CRMP, the governing board will retain the following powers:

1. deliberate on and adopt basic policy and policy initiatives of CRMP;
2. review and adopt the annual budget of CRMP and approve significant budget changes;
3. review and adopt the CRMP business plan, approve significant deviations from or actions not in the plan, and review and update the business plan no less frequently than annually;
4. approve contracts that fall outside the scope of authority delegated to the Executive Director;
5. conduct, or delegate responsibility for, annual performance reviews of key staff; and
6. review and approve litigation and arbitration proceedings.

CRMP may employ or contract for staff and consultants as required to administer the program and will contract with private-sector organizations for the services described below. Management oversight of the program will be provided by the governing board of CRMP through the chief mitigation officer of the CEA. Cal OES, through its seats on the governing board, will have input into the direction taken by CRMP. No staffing will be provided by Cal OES.

Under California law, the debts, liabilities, and obligations of CRMP will not be debts, liabilities, or obligations of either of its members. CRMP will purchase insurance, including tort liability insurance and errors and omissions insurance for CRMP, its members, its officers and employees, and the officers and employees of the CEA who provide services to CRMP. The CEA and Cal OES will be named in the tort liability insurance policy as additional insureds. The terms and cost of such insurance must be acceptable to the CEA and to Cal OES.

2. Program Funding

Funding for CRMP will be provided by voluntary advances, contributions, or grants. ~~It is expected that funds will be released to CRMP in increments as needed by CRMP.~~ Funds from each funding source will identified and tracked in a manner that permits CRMP to separately account for funds from each funding source. CRMP's program rules will be

modified as necessary to reflect restrictions and requirements relating to new funding sources.

A. CEA contributions

The CEA plans to continue to contribute funds to CRMP in support of the CRMP program from the CEA's Earthquake Loss Mitigation Fund; the amount and timing of CEA contributions is within the sole discretion of the CEA. Funding provided by the CEA may be used for CRMP administrative and operating expenses in addition to direct program expenses. The CEA contributions will be used for the program described at www.earthquakebracebolt.com.

B. Multi-Hazard Mitigation Plan and FEMA grants

Cal OES will maintain the State of California Multi-Hazard Mitigation Plan, which is required by federal law in order for the State to receive federal funds for mitigation, disaster recovery and fire suppression. Cal OES shall not contribute to the CRMP funds appropriated to Cal OES in the state budget. Cal OES, the CEA, and CRMP plan to seek federal matching funds under FEMA's earthquake hazards reduction assistance program and other FEMA funding sources.

C. Other third party funding

Grant funds for the CRMP program will be sought from state and other sources and will be accepted if the funding source and any accompanying restrictions and requirements are approved by the governing board of CRMP with the prior written consent of the CEA and Cal OES.

3. Program Decisions to be made by the CRMP Governing Board

A series of decisions concerning the CRMP program has been or will be made by the governing board of CRMP.

A. Approve marketing plan

The governing board will be asked to approve the ZIP codes in which dwelling owners will be invited to submit application forms to participate in the CRMP program and the related marketing plans.

B. Approve budget and cash flow plan

The governing board will consider budget and cash-flow plans from time to time.

C. Evaluate Program Results

The governing board will evaluate CRMP program results from time to time. One element of that evaluation will be reports from the Executive Director.

IV. Other Programs

The CRMP program will not preclude Cal OES or the CEA from establishing and operating other mitigation projects or programs.

CRMP Governing Board Memorandum

July 28, 2015

Agenda Item 7: Earthquake Brace + Bolt Update

Recommended Action: No Action Necessary

Homeowners in Earthquake Brace + Bolt (EBB) program ZIP Codes are eligible for an incentive payment of up to \$3,000 to help pay costs associated with seismically retrofitting their houses.

In the first six months of 2015, CRMP has launched two expansions:

- 1) Oakland, San Francisco, San Leandro, Los Angeles, Pasadena, Santa Monica. The goal is 575 retrofits.
- 2) Napa. The goal is 75 retrofits.

As of July 21—

- 144 retrofits have been completed
- 169 additional retrofits have building permits

In August, we will add the last of our homeowner wait list to EBB which will consist of 699 people who registered and qualified in February. We believe we are on track to achieve 600 completed retrofits by the end of the year.

Additional Funding: State of California

The 2015-2016 California budget included \$3,000,000 in funding to expand EBB. The funds were appropriated to the Department of Insurance and will be transferred to the CEA for deposit in its Earthquake Loss Mitigation Fund for transfer to CRMP pursuant to a contract that we expect to ask the CRMP governing board to approve later in 2015.

California also adopted legislation excluding CRMP grants from homeowners' income for state income tax purposes for taxable years beginning on and after July 1, 2015.

Additional Funding: FEMA Hazard Mitigation Grant Program

The CEA, on behalf of CRMP's EBB program, has submitted a Hazard Mitigation Grant Program application to Cal OES and FEMA seeking \$300,000. The CEA will provide matching funds of \$100,000 toward the total project cost of \$400,000 to retrofit 100 houses in Napa.

The application is currently under review by Cal OES and FEMA and we expect to learn if it is accepted in the near future. The terms and conditions of any resulting grant will be submitted to the CRMP governing board for approval later in 2015.

Scaling EBB Successfully

We are taking steps to handle the increased workload that will result from additional funding from the State and from FEMA.

- increased staffing (paid for by the CEA's Loss Mitigation Fund)
- expedited website development
- expanding the responsibilities of call center personnel
- additional program consultants

CRMP Governing Board Memorandum

July 28, 2015

Agenda Item 8: EBB program for CEA policyholders

Recommended Action: No Action Necessary

California Earthquake Authority CEO Glenn Pomeroy will present and discuss possible funding sources and requirements for an EBB program that would operate to retrofit vulnerable homes owned by CEA policyholders in high-seismic-risk areas.

CRMP Governing Board Memorandum

July 28, 2015

Agenda Item 9: EBB selection protocols

Recommended Action: Approve EBB Selection Protocols

Executive Director Janiele Maffei will outline EBB selection protocols used to date to define EBB eligibility and present for approval protocols for subsequent expansions.

Recommendation: Approve EBB Selection Protocols

CRMP Governing Board Memorandum

July 28, 2015

Agenda Item 10: EBB program expansions

Recommended Action: Approve EBB expansions

Managing Director Sheri Aguirre will present for Board approval proposed EBB program-eligibility expansions, based on Board-adopted protocols

Recommendation: Approve EBB Expansions