

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, May 22, 2020

PUBLIC NOTICE

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

NOTICE IS HEREBY GIVEN that the Governing Board of the **California Residential Mitigation Program (CRMP)** will **conduct a remote teleconference meeting** on Tuesday, June 2, 2020 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, June 2, 2020

TIME: 1:00pm

TELECONFERENCE ACCESS:*

Dial-in-Number: [+1 323-886-4439](tel:+13238864439) United States, Los Angeles (Toll)
Enter Conference ID Number: 314 175 648#

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 916-661-5607 or 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 at 916-661-5607 or 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:

Mitch Ziemer – Chair, Insurance and Claim Director, CEA

Alex Pal, Chief Legal Counsel, Cal OES

Christina Curry – Vice Chair, Deputy Director, California Office of Emergency Services

Dan Dyce – Consultant, CEA

Establishment of a quorum

2. Consideration and approval of the minutes of the February 25, 2020 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 March 31, 2020.
5. CRMP Managing Director Annde Ewertzen will present the CRMP Mitigation (Earthquake Brace + Bolt) update.
6. CRMP Managing Director Annde Ewertzen will present the CRMP Business Plan update to the Board to consider for approval.

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

Inquiries/General Information:

Jacqueline Ball
(916) 661-5607 (Direct)
Toll free (877)797-4300
jball@calquake.com

**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 Jacqueline Ball by telephone at (916) 661-5607 or 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@californiarresidentialmitigationprogram.com.

DRAFT

**CALIFORNIA EARTHQUAKE AUTHORITY
CALIFORNIA RESIDENTIAL MITIGATION PROGRAM
GOVERNING BOARD MEETING
MINUTES**

**Tuesday, February 25, 2020
1:00 p.m.**

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

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

Mitch Ziemer, Chair, Insurance and Claim Director, California Earthquake Authority (CEA)
Christina Curry, Vice Chair, Deputy Director, Cal OES
Dan Dyce, Consultant, CEA
Alex Pal, Chief Legal Counsel, Cal OES

Members of the CRMP Staff in attendance:

Janiele Maffei, Executive Director, CRMP
Annde Ewertsen, Managing Director, CRMP
Benjamin Kirwan, Treasurer, CRMP
Seth Merewitz, Counsel, CRMP
Tom Welsh, Secretary, CRMP
Jacqueline Ball, Executive Assistant

Also Present:

No members of the public addressed the Board.

1. Call to order and member roll call.

Mr. Ziemer called the meeting to order at 1:05 p.m. A quorum was achieved.

2. Consideration and approval of the minutes of the December 3, 2019, CRMP Governing Board Meeting.

MOTION: Mr. Dyce moved approval of the December 3, 2019, California Residential Mitigation Program Governing Board Meeting Minutes as presented. Mr. Pal seconded. Motion carried unanimously.

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

Janiele Maffei, CRMP Executive Director, updated the Board on the CEA's mitigation projects:

EBB Incentive Programs

- Approximately 9,800 EBB retrofits have been completed to date.

CEA Mitigation Program

- ATC110/FEMA P-1100 Project
 - Volume 1 – Prestandard for Vulnerability-Based Seismic Assessment and Retrofit of One- and Two-Family Dwellings was published almost a year ago.
 - Volumes 2A – Plan Set for Crawlspace Dwellings, 2B – Plan Set for Living-Space-Over Garage Dwellings, and 2C – Plan Set for Masonry Chimneys have now been published.
 - The design methodology for the Hillside Home is included in the document but does not include plan sets, as it was determined to require an engineered solution.

Legislative Efforts

- H.R. 5494, Catastrophe Loss Mitigation Incentive and Tax Parity Act of 2019
 - Hazard mitigation grant funding, loss mitigation funding, and state funding tax-exempt at the federal level
 - Recently reintroduced
 - Changes include the addition of windstorm and wildfire to the previous bill's earthquake peril
 - Bipartisan and multi-state support for this effort

Other Updates – CRMP

- CRMP Call Center
 - 137 calls per day on average.
- 2020 EBB Registration
 - Applications have surpassed the 5,100-retrofit cap.
 - Grant applications for additional funding have been submitted.

EBB ZIP Codes

- EBB ZIP Code Lookup charts for Northern and Southern California are posted on the website.
- Cities and ZIP Codes in red indicate that they are new to this round of the program.

Geographic Information System (GIS)

- ArcGIS fault zone charts for Northern and Southern California and the Bay Area were reviewed.

EBB 2020 Marketing Efforts

Ms. Maffei reminded the Board of the requirements of AB 548, which was passed in 2019, to provide outreach to low-income households in EBB program communities, dedicate 10 percent of the total funds with a first-come, first-served supplemental grant that is 90 percent of the retrofit costs after the EBB grant. She pointed out areas in the EBB marketing efforts where the AB 548 requirements are being met.

Ms. Maffei showed the Board three testimonial videos, which are available on the website and on YouTube.

Annde Ewertsen, Managing Director, CRMP, reviewed the new EBB infographics – one for homeowners and one for contractors. She explained that an infographic is an interactive design that advertises the program.

Questions and Discussion

Mr. Ziemer asked if the designated low-income level is based on an individual's income or the county. Ms. Maffei stated it is based on the median income.

Mr. Pal asked if the letters targeted to policyholders include information on discounts they will receive on premiums. Ms. Maffei stated they do.

Mr. Dyce asked about native network advertisements. Ms. Ewertsen stated it is paid content that looks like it was written by a journalist.

Ms. Curry asked about statistics on loss avoidance due to the retrofits being made.

Ms. Maffei stated the Pacific Earthquake Engineering Research Institute (PEER) project is working on loss functions to enable that calculation, which, should be available in the next few months.

Ms. Curry asked if Imperial and San Diego County ZIP Codes can be included in the program. Ms. Maffei stated proximity to fault lines and number of older homes is taken into account in choosing ZIP Codes to include in the program. Imperial and San Diego counties fell lower on the list.

4. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of December 31, 2019.

Benjamin Kirwan, CRMP Treasurer, provided an overview, with a slide presentation, of the CRMP financial information as of December 31, 2019.

5. CRMP Managing Director Annde Ewertsen will present the CRMP Mitigation (Earthquake Brace + Bolt) update.

Ms. Ewertsen provided an overview of the CEA and CRMP Earthquake Brace + Bolt Programs, EBB program contractors, overall retrofits, regional differences and costs, and withdrawn and outstanding applications. She noted that approximately 30 contractors were removed from the directory after staff spoke with the Contractors State License Board Classification Deputy, where it was determined that License Types A and B were the only license types that should be allowed to do this type of retrofit. She stated two \$5 million grant applications have been submitted and two pre-disaster mitigation grant applications were submitted in January – one for \$10 million and one for \$4 million.

6. CRMP Managing Director Annde Ewertzen will present the CRMP Business Plan update, Board to review and update.

Ms. Ewertzen stated the governing board is required by the CRMP Joint Exercise of Powers Agreement to review and update the CRMP business plan annually. The business plan was last updated in December of 2018. She stated staff has reviewed the business plan and believes no changes or updates are needed at this time.

Questions and Discussion

Mr. Ziemer referred to the second paragraph on page 1 of the business plan and stated the purpose of the CRMP program is not only to accept and disburse funds but to solicit funds to be used toward retrofitting homes.

Mr. Ziemer referred to 1(C), Management Team, on page 3 of the business plan and asked if there is an approval process for each grant/application. Ms. Maffei deferred to counsel to answer this question.

Seth Merewitz, Counsel, CRMP, stated staff does not currently require Board approval to solicit grants.

Mr. Ziemer stated the Board granted authority to the Executive Director some time ago. He asked if that authority belongs in the business plan in the Executive Director's list of duties as part of the approval process.

Mr. Ziemer asked if approving the budget also approves the marketing plan. If so, it should be made more transparent.

Mr. Ziemer referred to the middle of page 4 of the business plan, where it states "under its overall authority and responsibility to administer CRMP, the governing board will retain the following powers." He asked as series of questions:

- Does Item 2 under that section include the marketing plan, even though Item 5 specifically calls that out?
- Is Item 4 under that section still part of the Board's duties because the Board does not currently approve ZIP Codes?
- Is the Board currently approving ZIP Codes as part of another item?

Mr. Ziemer stated he would like to see ZIP Codes as part of the agenda, if it is one of the Board's duties. He stated the documentation needs to support the practice.

Mr. Ziemer asked staff to review the business plan again to see if changes are necessary because the Board duties have changed over time. Ms. Maffei stated she is amenable to whatever the Board decides as long as there is understanding that, if funding becomes available in a FEMA grant where applicants do not use all their funding, staff can use those funds for additional applications, if action is taken quickly. She asked that the Executive Director maintain some authority to respond quickly.

Ms. Ewertzen stated the Board approved the process for how the ZIP Codes are selected. Mr. Ziemer agreed that the process was approved five years ago but back then the ZIP Codes were brought before the Board on an annual basis and there was logic to it.

Ms. Maffei stated CRMP does not do means testing; it is a matter of going down the ZIP Code list.

Mr. Ziemer asked if every county is represented on the ZIP Code list. Ms. Ewertson stated every county is represented that has a high-risk ZIP Code, based on the USGS in combination to the pre-1940 house.

Mr. Ziemer suggested that staff present a ZIP Code list at the next meeting for pre-approval by the Board in case a grant should fund for ZIP Codes in a county that have not yet been identified.

Mr. Dyce asked for verification that Mr. Ziemer is asking staff to review the business plan, perhaps update it to reflect more closely what the Board is currently doing, and bring it back to the Board at a future meeting.

Mr. Ziemer stated that is correct. He asked if additional grants may be approved in 2020. Ms. Ewertson stated no more are anticipated at this time. If any outstanding grants do come in, they will allow for an additional 2,000 to 3,000 retrofits to be completed.

Ms. Curry asked to update Item B(4)(a) under Contractor Training and Requirements to reflect the new contractor requirements.

Mr. Pal stated the business plan allows staff to approve up to \$100,000 per contract. He asked if marketing firms were offered a flat rate or if they developed a strategy for CRMP. Ms. Ewertson stated they develop a strategy for over a three-year period.

Mr. Pal suggested a briefing for next year on what each vendor intends to do so Board members can weigh in on the strategy behind the marketing not just the marketing and the price. This would be a way to fulfil the requirement laid out in the business plan.

Mr. Ziemer asked about Item 2, Program Funding, on page 5 of the business plan. Mr. Merewitz stated that section was changed to be more expansive to allow access to more funding.

7. 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 questions or comments from the public.

8. Adjournment.

There being no further business, the meeting was adjourned at 2:12 p.m.

CRMP Governing Board Memorandum

June 2, 2020

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.

Governing Board Memorandum

June 2, 2020

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 March 31, 2020.

Recommendation:

No action is necessary.

California Residential Mitigation Program
(CRMP)

FINANCIAL
REPORT

BOARD MEETING
Tuesday, June 2, 2020

California Residential Mitigation Program
Balance Sheet
As of March 31, 2020

Assets

Cash and cash equivalents	\$ 3,012,175
Accounts receivable	<u>3,982,253</u>
Total assets	<u><u>\$ 6,994,428</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>\$ 127,178</u>
Total liabilities	<u>127,178</u>

Fund Balance:

Unassigned	<u>6,867,250</u>
Total fund balance	<u>6,867,250</u>
Total liabilities and fund balance	<u><u>\$ 6,994,428</u></u>

California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year-to-Date Ended March 31, 2020

Revenues:	
Contributions from members	\$ 3,880,000
Contributions from other governments	3,828,996
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Total revenues	7,708,996
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Expenditures:	
Administration and office expenses	\$ 33
Board services	275
Grants to homeowners	3,968,793
Inspection services	17,510
IT administrative support	7,788
Legal services	(697)
Marketing services	23,296
Program support	1,822
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Total expenditures	4,018,820
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Net change in fund balance	3,690,176
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Fund balance, beginning of year	3,177,074
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Fund balance, end of year to date	\$ 6,867,250
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**California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2020 Budget Year
as of March 31, 2020**

	Approved 2020 Budget 1/1/2020	Adjustments ^A	Augmentations ^B	2020 Budget after Augmentations and Adjustments	Actual Revenues and Expenditures	Augmented & Adjusted Approved Budget vs. Actual	Percentage used of Augmented & Adjusted 2020 Budget
Revenue							
Contribution from Members ¹	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 3,880,000	\$ 120,000	97.00%
FEMA - 4308 ²	-	-	1,738,401	1,738,401	1,738,401	-	100.00%
FEMA - 4344 ²	-	-	2,090,595	2,090,595	2,090,595	-	100.00%
Total Revenue	\$ -	\$ -	\$ 7,828,996	\$ 7,828,996	\$ 7,708,996	\$ 120,000	98.47%
CRMP Administration Expenses							
Travel	\$ 17,000	\$ -	\$ -	\$ 17,000	\$ -	\$ 17,000	0.00%
Professional Dues and Memberships	800	-	-	800	-	800	0.00%
Board Services	1,700	-	-	1,700	275	1,425	16.18%
Administration & Office	15,000	-	-	15,000	33	14,967	0.22%
Insurance	30,000	-	-	30,000	-	30,000	0.00%
Financial Audit	34,900	-	-	34,900	-	34,900	0.00%
Legal Services	100,000	-	-	100,000	(697)	100,697	-0.70%
Total Administration Expenses	199,400	-	-	199,400	(389)	199,789	-0.20%
EBB Program Expenses							
Software/Information Technology	34,900	-	-	34,900	7,788	27,112	22.32%
Call Center	6,000	-	-	6,000	1,822	4,178	30.37%
Home Inspection Services	190,000	-	-	190,000	17,510	172,490	9.22%
EBB Marketing / Program Education	475,000	-	-	475,000	23,296	451,704	4.90%
Grants to Homeowners - EBB	270,000	-	-	270,000	139,797	130,203	51.78%
Grants to Homeowners - FEMA 4308	1,950,000	-	-	1,950,000	1,738,401	211,599	89.15%
Grants to Homeowners - FEMA 4344	19,800,000	-	-	19,800,000	2,090,595	17,709,405	10.56%
Total EBB Program Expenses	22,725,900	-	-	22,725,900	4,019,209	997,286	17.69%
Total Administrative and Program Expenses	\$ 22,925,300	\$ -	\$ -	\$ 22,925,300	\$ 4,018,820	\$ 18,906,480	17.53%

¹ California Earthquake Authority board has approved max funding of \$4,000,000 for 2020 as of the CEA board meeting on December 11, 2019.

² FEMA 4308 and 4344 are reimbursement based, so revenue is adjusted monthly to match incentive payments paid.

^A Adjustments between categories to cover unplanned expenditures.

^B Augmentations to CRMP budget to meet end of year projection estimates.

Governing Board Memorandum

June 2, 2020

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

Recommended Actions: No action required—information only

CRMP Earthquake Brace + Bolt Programs

Due to the COVID-19 pandemic, on Friday, March, 13, 2020, the CEA directed all staff to begin working from home due to the COVID-19 pandemic. Since then, under telework conditions, EBB staff continues processing applications, submitting documentation to FEMA and handling customer service calls.

The CRMP-funded program, with 1,000 grants available, has 552 retrofits completed, 28 in-process 0 extensions and 362 applicants withdrawn.

All permits (1,000) for the HMGP DR-4308 grant have been filled and approved by FEMA: 918 retrofits completed, 82 in-process, 0 extensions and 217 applicants withdrawn.

The FEMA HMGP DR-4344, with 1,896 grants available, has 967 retrofits completed, 824 in-process, 105 extensions and 4,647 applicants withdrawn. The program is available in 355 ZIP Codes.

EBB re-opened registration for the HMGP DR 4344 2020 program on February 19th closing on March 19th. 4,770 grants are available to be funded under this program and 4,478 have been accepted, with 125 in-process and 221 applicants withdrawn. The program is available in 355 ZIP Codes.

Earthquake Brace + Bolt Program 5/14/20 CRMP and CEA			
Program	Completed	In Progress	Status
2014-2017 EBB	4,285	N/A	Closed
2018 EBB	3,350	N/A	Closed
FEMA Napa EBB	84	N/A	Closed
CRMP 2019 EBB	552	28	984 transfers 0 extensions
FEMA – HMGP DR 4308	918	82	0 extensions
FEMA – HMGP DR 4344 2019	967	824	104 transfers 105 extensions
FEMA- HMGP DR 4344 2020	0	125	Accepted: 4478
Total	10,156	1059	N/A

EBB Program Contractors

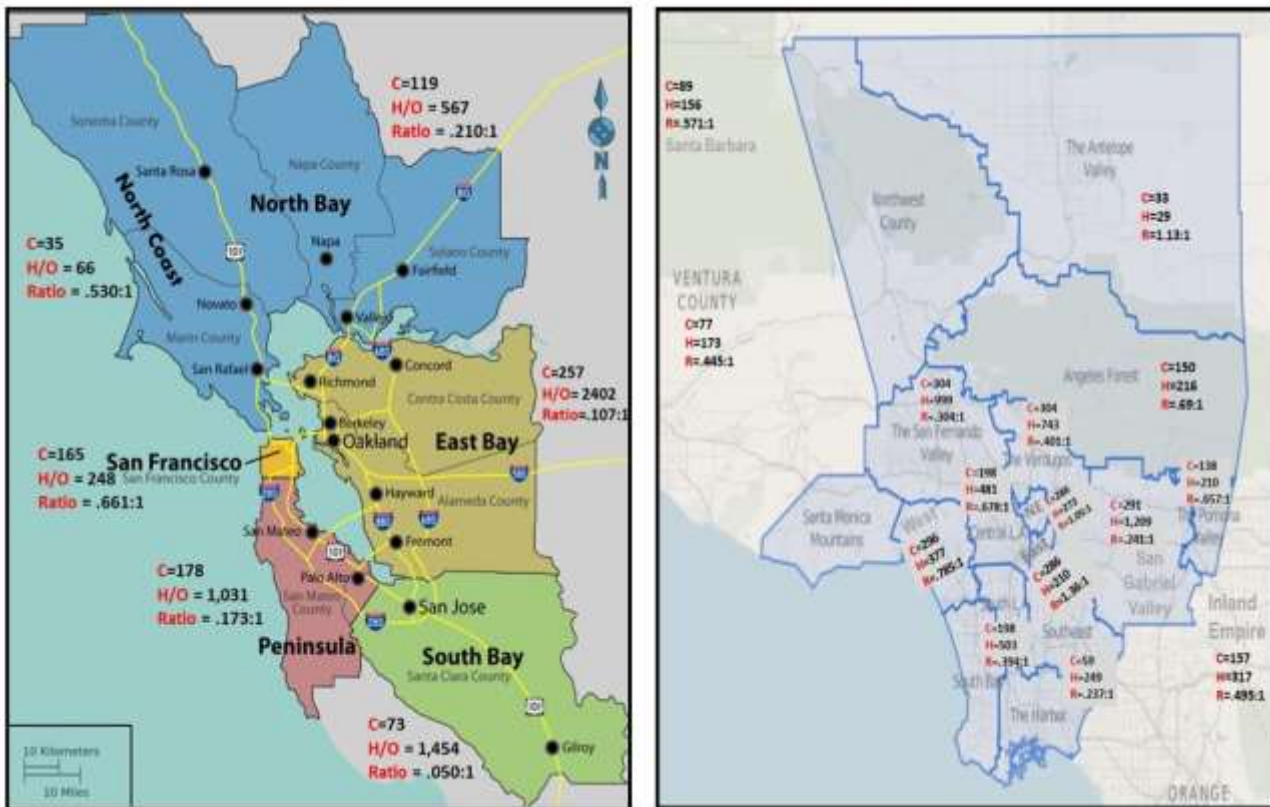
Of the contractors on the EBB Directory (Directory), 346 have completed at least one retrofit – an increase of 44 contractors since the last report and as of the last board meeting, an additional 17 contractors have joined the Directory. As of May 15, 2020, there were 9,846 paid retrofits and an average of 28 retrofits per contractor that have completed at least one retrofit. EBB continues to work on outreach to encourage more contractors to join the Directory.

Contractors in EBB Directory- Range of Retrofits Paid (as of 05/15/2020 COB)										
Paid Retrofits	0	1	2-5	6-10	11-20	21-49	50-99	100-399	400+	Total
9,846	756	119	101	42	26	21	16	15	6	1,102

Because some homeowners have stated it is difficult to find a contractor to complete a retrofit, EBB recently completed a contractor analysis to determine where there may be a dearth of contractors available for homeowners to choose from in the Directory. The analysis indicates there are areas in the state where more contractors are available, but only one area had a significantly low ratio (.050:1). Below are the results of this analysis, within the program’s 355 ZIP Codes, detailed in map format:

EBB Contractor Analysis – Results

C= # of Contractors **H/O**= # of registered homeowners **Ratio**= # of contractors to homeowners



The Southern California ratio of contractor to homeowners is higher than in Northern California overall, but however San Francisco and the North Bay areas are comparable. and North Coast areas. EBB staff continues to implement an extensive outreach campaign to increase available contractors in program areas where ratios are low and insufficient.

EBB Northern and Southern Regional Differences

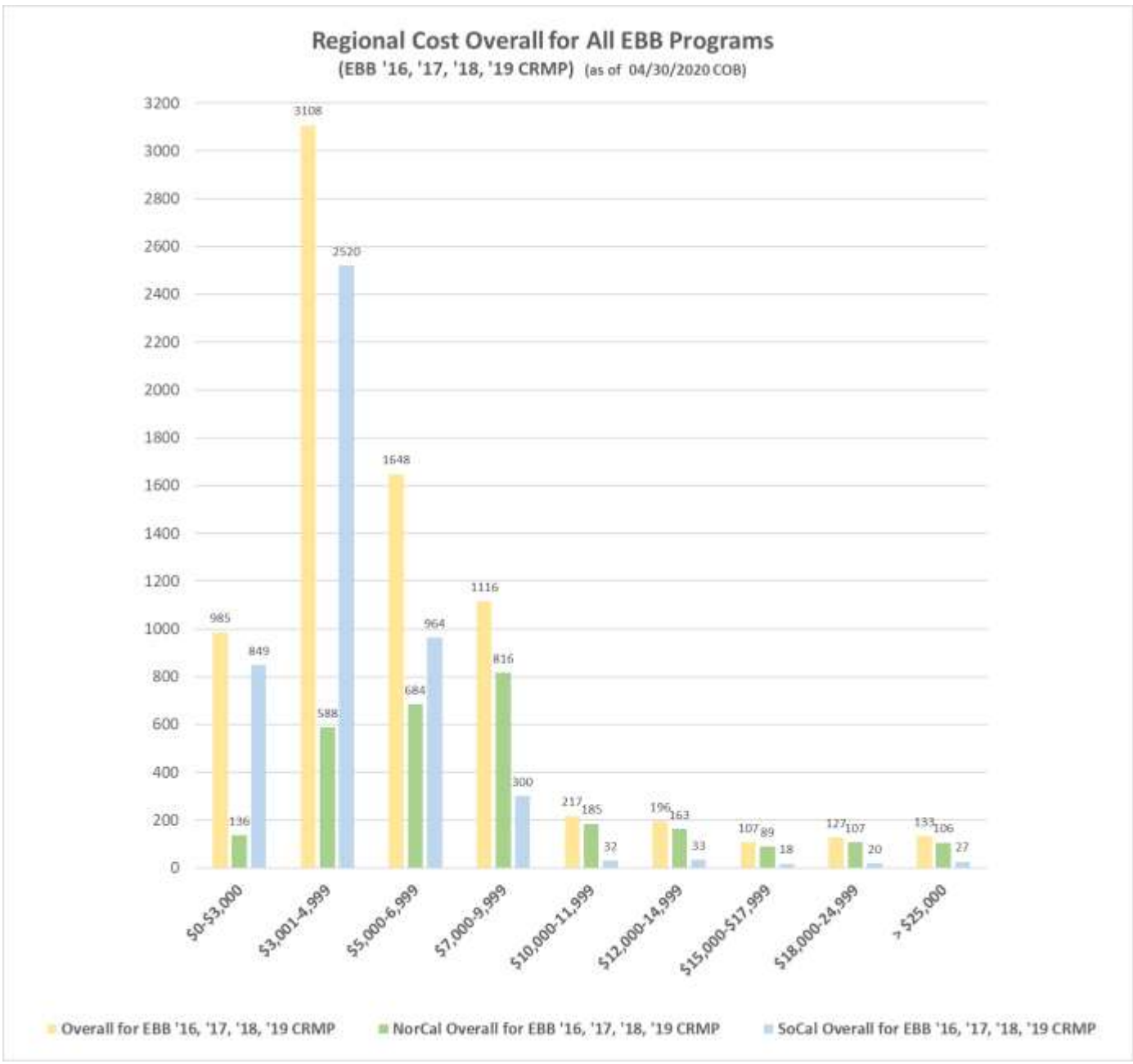
Retrofits in Northern California continue to be more expensive than Southern California. Retrofit costs over all programs, range from \$562 to \$75,465 with an average cost of \$6,262. Current data for 2019 programs indicate costs are slightly lower than previous years in Northern California and slightly higher in Southern California; however, as the 2019 programs progresses, staff expect those costs to normalize as additional retrofits are completed.

Northern CA Retrofits (as of 04/30/2020 COB)				
Program Year:	2016	2017	2018	2019
Total # of Retrofits:	585	828	1,172	975
Average Cost:	\$9,167	\$8,899	\$8,475	\$7,031
Median Cost:	\$7,500	\$7,361	\$6,661	\$6,120
Min Cost:	\$928	\$1,143	\$955	\$646
Max Cost:	\$75,465	\$54,362	\$63,430	\$37,163

Southern CA Retrofits (as of 04/30/2020 COB)				
Program Year:	2016	2017	2018	2019
Total # of Retrofits:	970	1,357	2,177	1,307
Average Cost:	\$4,597	\$4,726	\$4,936	\$4,669
Median Cost:	\$3,950	\$3,934	\$4,160	\$4,176
Min Cost:	\$562	\$1,197	\$877	\$724
Max Cost:	\$46,664	\$45,390	\$54,096	\$19,286

EBB Overall Total Retrofits (as of 04/30/2020 COB)	
Program Year:	EBB '16, '17, '18, '19 CRMP
Total # of Retrofits:	7637
Average Cost:	\$6,262
Median Cost:	\$4,816
Min Cost:	\$562
Max Cost:	\$75,465

For all retrofits completed, 13% cost less than \$3,001. Of the completed retrofits 5% were under \$3,001 in Northern California and 18% are in Southern California. A total of 54% of the completed retrofits cost less than \$5,000. A further breakdown of this data shows 25% of completed retrofits are in Northern California and 71% are in Southern California fell in this category.



Engineered and Non-Engineered Retrofits

Engineered retrofits continue to be substantially more than non-engineered retrofits; however, for the 2019 programs, engineered costs are considerably lower than previous years. As more retrofits are completed in the 2019 programs, EBB staff expect costs to normalize over time.

Retrofits by Type (as of 04/30/20)						
	2017 Program		2018 Program		2019 Programs	
Type of Retrofit	Engineered	Non-Engineered	Engineered	Non-Engineered	Engineered	Non-Engineered
Total # of Retrofits:	227	1,958	312	3,037	136	2,146
Average Cost:	\$15,335	\$5,263	\$15,187	\$5,249	\$11,906	\$5,283
Median Cost:	\$13,541	\$4,500	\$12,070	\$4,510	\$8,524	\$4,811
Min Cost:	\$1,887	\$1,143	\$1,673	\$877	\$1,540	\$646
Max Cost:	\$54,362	\$40,200	\$63,430	\$60,844	\$37,163	\$18,853

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 2019 programs, continues the expected trend and is lower in Southern California. The completion rate for the 2018 EBB program has been the highest for all program years, at 45%. EBB is unsure what to expect for the 2019 and 2020 FEMA-funded completion rates given the delay in accepting homeowners into the 2019 program and the current economic impact of COVID-19, but the HMGP 4308 grant will soon be closed with 1,000 completed retrofits.

Withdrawn Homeowners (as of 04/30/2020 COB)												
Program	Bay and LA & Napa 2016		Bay and LA 2017		Bay and LA 2018		2019 FEMA (4308 & 4344)		2019 CRMP		Total	
Southern California	1,110	39%	1,435	40%	2,191	52%	1,857	38%	123	34%	6,593	43%
Northern California	1,772	61%	2,153	60%	1,989	48%	3,004	62%	239	66%	8,918	57%
Total	2,882	100%	3,588	100%	4,180	100%	4,861	100%	362	100%	15,511	100%

Future Funding Opportunities

Current HMGP applications include:

FEMA – Hazard Mitigation Grant Program (HMGP)

- HMGP DR 4407 (EBB Multi-County) \$5M was \$20M: Currently under FEMA review-expect approval – received RFI (Request for Information) from CalOES on April 23,2020, submitted response on Monday, May 11, 2020.
- HMGP DR 4431 (EBB Multi-County) \$3M: Application submitted January 13, 2020 – under review – received RFI on February 13, 2020 and submitted response on March 10, 2020.
- HMGP DR 4434 (EBB Multi-County), \$3M: Application submitted January 13, 2020 – under review – received RFI on February 21, 2020 and submitted response on March 10, 2020.

CEA Brace + Bolt Program

CEA continues to engage in outreach efforts to CEA Policyholders on the benefits and value of participating in the CEA BB program. Next month, CEA will reach out to eligible policyholders that will see an impact from the second-year implementation of the rate and form filing.

CEA Brace +Bolt Program (05/22/20): CEA BB			
Program	Completed	In Progress	Status
Pilot CEA BB	98	N/A	Closed
2019 CEA BB	516	127	42,000 invited 403 accepted 131 extensions
TOTAL	614	127	N/A

Other Items of Interest

EBB has been working on upgrading database functionality, the EBB program website and user experience for more than a year. The new system will be tested by homeowners and contractors the week of June 15th and is expected to rollout in mid-July.

CRMP Governing Board Memorandum

June 2, 2020

Agenda Item 6: CRMP business plan

Recommended Action: Review and approve business plan

Background:

CRMP Managing Director Annde Ewertsen will present business plan for Board approval. The plan was previously presented to the Board at the February 2020 meeting and the board requested it be presented with changes. The governing board is required by the CRMP Joint Exercise of Powers Agreement to review and update the CRMP business plan annually. The business plan was last updated in December 2018.

An overview of the recommended changes are as follows:

- Specify the ability of the CRMP to solicit funds and remove requirement for board approval to solicit (pg. 1 and 4);
- Synch plan with the JPA Agreement by allowing other types of residential buildings to be retrofitted (pg.1);
- Remove “CRMP” before “governing board” for consistency (throughout plan)
- Add a section for Design Professionals (pg. 2-3);
- Update Item B(4)(a) under Contractor Training and Requirements to reflect appropriate license types (pg. 2);
- Add requirement for Executive Director to report to governing board on grants applied for and received (pg. 5);
- Change requirement that governing board approves ZIP Codes to notification of ZIP Codes selected by Executive Director (pg. 5); and
- Change requirement that governing board approves marketing plan to notification by Executive Director of marketing plan developed (pg. 5)

Recommendation:

Staff recommends approval of changes, as noted above, to the current CRMP business plan.

adopted 10/4/11
revised 6/11/12
revised 7/30/13
revised 7/15/14
revised 12/1/15
revised 5/16/17
revised 12/11/18
Redline 5/4/2017/19

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 (“JPA”) to create the California Residential Mitigation Program (CRMP) to carry out a joint mitigation program.

The purpose of the CRMP program is to solicit, 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)~~ consistent with the JPA, in California who wish to retrofit their dwellings to protect against earthquake damage.

Commented [A1]: Expanding business plan to allow for multi-family. JPA was updated to allow on 4/11/19

The program’s focus is paying or reimbursing 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;
3. strengthen soft, weak or open front- dwellings to decrease the risk of collapse; and
4. address other seismic-related seismic vulnerabilities, consistent with the CRMP program rules, which are promulgated from time to time.

A. CA Building Code for retrofitting existing residential buildings

The retrofit work funded by CRMP is to conform to California law and may also conform to other design guidance, as determined appropriate, and approved by the ~~CRMP~~ governing

Commented [A2]: Changing for consistency

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board from time to time, including but not limited to, Chapter A3 to California Building Code, Title 24, Part 2, Chapter A4 of the 2012 edition of Internal Existing Building Code (IEBC) ASCE 41-06 or ASCE 41-13, FEMA P-807 and FEMA P-1100. The retrofit work will also be subject to any more restrictive local requirements and to the permitting and building-inspection processes of local jurisdictions.

B. Contractors and Design Professionals -training and requirements

I. Contractors:

A critical element of the CRMP program is to encourage and support work performed by private-sector contractors that have received FEMA-supplied, specialized residential-seismic-retrofit training. Accordingly, the program includes the following features.

1. Online videos and related tests to illustrate and instruct how to properly perform residential seismic retrofits that meet all applicable residential-seismic-retrofit building codes.
2. A public list of contractors that have one or more employees, workers, or other associated persons who have successfully completed the contractor-training videos and tests, made available online to dwelling owners.
3. A requirement that each listed contractor perform all program retrofit work in accordance with design guidance promulgated pursuant to Section 1(A) above and ensure that an employee, worker, or other associated person who has taken and successfully completed the contractor-training videos and tests oversees and approves all program retrofit work performed by the contractor.
4. A requirement that each listed contractor confirm that it is a licensed contractor in the State of California in good standing and that it will make available to CRMP, on request, evidence that it:
 - a. has in force a current California contractor's license (Class A or B only) in a field reasonably related to residential seismic retrofit work in California;
 - b. has in force a current construction bond that meets or exceeds the statutory requirement for such bonds;
 - 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.
5. 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

Commented [A3]: This two license types are the only general contracting licenses that are reasonably related to residential seismic retrofit work.

requirements listed in (3) or (4) above or is using CRMP’s trademark or anything similar to it or the phrase “Brace + Bolt” in a manner that implies to homeowners or the public that the contractor is affiliated with CRMP beyond being a CRMP-registered contractor.

II. Design Professionals (Architects and Engineers)

As a design professional, the following items are required in order to remain on the list of design professionals:

1. Is licensed in the State of California in good standing; and
2. A requirement that each listed design professional will make available to CRMP, on request, evidence that it:
 - a. performs all program retrofit work in accordance with design guidance promulgated pursuant to Section 1(A) above
 - b. retains evidence of current workers’ compensation insurance for all employees of the design professional, if required; and
 - c. demonstrates a commitment to work within the local jurisdiction’s building-construction permitting and inspection processes.

Removal of a design professional from the CRMP list of design professionals is at the sole discretion of CRMP, in the event CRMP determines that the design professional has failed to meet the requirements listed in (1) or (2) above or is using CRMP’s trademark or anything similar to it or the phrase “Brace + Bolt” in a manner that implies to homeowners or the public that the design-professional is affiliated with CRMP beyond being a CRMP-registered design professional.

C. Management team

CRMP is a legally separate entity from its members. It has a governing board consisting of two members appointed by 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;

Commented [A4]: Adding Design Professionals. They have been a part of the program since inception, but were not specifically called out in the Business Plan.

2. obtain prior approval of the governing board before commencing litigation or arbitration proceedings; and

3. ~~obtain prior approval to solicit grants (???)~~

4. obtain prior approval of the governing board for the annual budget of CRMP.

Commented [A5]: Moved to another section and changed from approval to notification of board.

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 State Treasurer, the Insurance Commissioner, and other state officers;
4. present to the governing board (with recommendations for) 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 authorize ~~the issuance of instructions to accomplish the Executive Director's authorized responsibilities and duties;~~

12. report to the governing board on the grants applied for and received; and

Commented [A6]: Added the requirement to notify board of grant applications

13. ~~4. approve annually select and report to the governing board on the ZIP Codes in which dwelling owners will be invited to submit applications to participate in the CRMP program;~~

Commented [A7]: Removed approval of ZIPs (moved from retained powers of the board) and added notification of ZIPs chosen

14. annually notify the governing board of marketing plans for the CRMP program;

Commented [A8]: Removed from authority of the board to authority of ED and notification to board

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 CRMP's cash-flow plan and approve significant budget and cash-flow plan 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 the ZIP Codes in which dwelling owners will be invited to submit applications to participate in the CRMP program;~~

Commented [A9]: Moved to power of ED and to provide notification to board

~~54. annually approve marketing plans for the CRMP program;~~

Commented [A10]: Moved to power of ED and to provide notification to board

~~65. evaluate CRMP program results from time to time and make changes in the program that the governing board decides are appropriate;~~

76. approve contracts that fall outside the scope of authority delegated to the Executive Director;

87. conduct, or delegate responsibility for, -annual performance reviews of key staff; and

89. review and approve litigation and arbitration proceedings.

CRMP may employ or contract for staff and consultants as required to administer the program and may contract with private-sector and other organizations to provide goods and services. Management oversight of the program will be provided by the governing board of CRMP through the chief mitigation officer of the CEA, serving as CRMP Executive Director. 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 and cyber insurance. 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. Funds from each funding source will be 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

CEA plans to continue to contribute funds to CRMP in support of the CRMP program from CEA's Earthquake Loss Mitigation Fund. CEA also has contributed to CRMP the use of personnel, equipment and property. The amount and timing of CEA contributions is within the sole discretion of CEA. Funding provided by CEA may be used for CRMP administrative and operating expenses in addition to direct program expenses. The CEA contributions will be used for the programs 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, CEA, and CRMP plan to seek federal funding under FEMA’s earthquake hazard mitigation grant program and other FEMA funding sources.

C. Other third-party funding

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 CEA and Cal OES.

3. Other Programs

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