

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, January 6, 2017

AMENDED 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 CHANGE: **CALIFORNIA EARTHQUAKE AUTHORITY**
801 K Street
10th Floor, Main Conference Room
Sacramento, CA 95814

DATE: Tuesday, January 17, 2017

TIME: 1:00 p.m.

AGENDA:

1. Call to order and member roll call:

Mitch Ziemer – Chair, Insurance Director, CEA

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

Dan Dyce – Consultant, CEA

Nancy Ward - Chief Deputy, California Office of Emergency Services

Establishment of a quorum

2. Consideration and approval of the minutes of the November 15, 2016, 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 present a proposed 2017 budget for board approval.
6. Mr. Richison will provide an update on CRMP insurance coverage.
7. CRMP Managing Director Sheri Aguirre will present an update on the Earthquake Brace + Bolt program and the Napa Brace + Bolt programs.
8. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
9. Adjournment.

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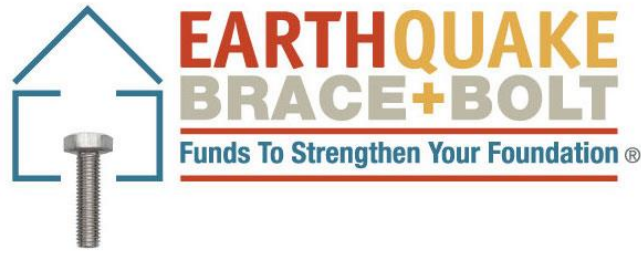
**To view this notice on the CRMP website, please visit
www.CaliforniaResidentialMitigationProgram.com**

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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 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@californioresidentialmitigationprogram.com.



Draft Meeting Minutes
are not available.

Please see CRMP Governing
Board Meeting
Approved Minutes.

CRMP Governing Board Memorandum

January 17, 2017

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.

Governing Board Memorandum

January 17, 2017

Agenda Item #4: Treasurer's Financial Update

Recommended Action: No Action Necessary

Background:

CRMP Treasurer, Tim Richison, will review the CRMP financial statements as of November 30, 2016.

Recommendation:

No action is necessary.

California Residential Mitigation Program
(CRMP)

FINANCIAL
REPORT

BOARD MEETING

Tuesday, January 17, 2017

**California Residential Mitigation Program
Balance Sheet
As of November 30, 2016**

Assets

Cash and cash equivalents	\$ 899,682
Accounts receivable	-
	<hr/>
Total assets	<u>\$ 899,682</u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	\$ -
	<hr/>
Total liabilities	-
	<hr/>

Fund Balance:

Unassigned	899,682
	<hr/>
Total fund balance	899,682
	<hr/>
Total liabilities and fund balance	<u>\$ 899,682</u>

**California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year-To-Date Ended November 30, 2016**

Revenues:	
Contributions from members	\$ 1,000,000
Contributions from other governments	3,000,000
	<hr/>
Total revenues	4,000,000
	<hr/>
Expenditures:	
Administration and office expenses	\$ 9,040
Audit services	37,000
Board services	1,217
Grants to homeowners	3,809,524
Inspection services	11,280
Insurance	33,531
IT administrative support	18,028
Legal services	69,590
Marketing services	310,085
Program support	41,054
Training	800
Travel	12,097
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Total expenditures	4,353,246
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Net change in fund balance	(353,246)
Fund balance, beginning of year	1,252,928
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Fund balance, end of year to date	<u>\$ 899,682</u>

**California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2016 Budget Year**

	<u>Approved 2016 Budget 1/1/2016</u>	<u>Adjustments ^A thru 11/30/2016</u>	<u>Augmentations thru 11/30/2016</u>	<u>2016 Budget after Augmentations and Adjustments</u>	<u>Used Budget as of 11/30/2016</u>	<u>Augmented & Adjusted Approved 2016 Budget Remaining as of 11/30/16</u>	<u>Percentage used of Augmented & Adjusted Approved 2016 Budget</u>
Revenue							
Contribution from Members	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ (1,000,000)	>100%
FEMA	300,000			300,000	-	300,000	0.00%
Department of Insurance	3,000,000			3,000,000	3,000,000	-	100.00%
Total Revenue	3,300,000	-	-	3,300,000	4,000,000	(700,000)	121.21%
CRMP Administration Expenses							
Human Resources							
Travel	26,500			26,500	12,097	14,403	45.65%
Other	-			-	800	(800)	>100%
Total Human Resources	26,500	-	-	26,500	12,897	13,603	48.67%
General Office							
Board Services	3,900			3,900	1,217	2,683	31.21%
Administration & Office	17,000			17,000	9,040	7,960	53.18%
Insurance	55,065			55,065	33,531	21,534	60.89%
Financial Audit	50,000			50,000	37,000	13,000	74.00%
Legal Services	200,000			200,000	69,590	130,410	34.80%
Public Relations for CRMP	20,000	(20,000)		-	-	-	0.00%
Total General Office	345,965	(20,000)	-	325,965	150,378	175,587	46.13%
EBB Program Expenses							
Software/Information Technology	23,120			23,120	18,028	5,092	77.98%
Call Center	64,800			64,800	41,054	23,746	63.35%
Program Evaluations - Customer Service Satisfaction	50,000	(50,000)		-	-	-	0.00%
Home Inspection Services	87,300			87,300	11,280	76,020	12.92%
EBB Marketing	300,000	70,000		370,000	310,085	59,915	83.81%
EBB Program Education	40,000			40,000	-	40,000	0.00%
Grants to Homeowners (1600 payments at \$3,000)	5,400,000			5,400,000	3,809,524	1,590,476	70.55%
Total EBB Program Expenses	5,965,220	20,000	-	5,985,220	4,189,971	1,795,249	70.01%
Total Administrative and Program Expenses	\$ 6,337,685	\$ -	\$ -	\$ 6,337,685	\$ 4,353,246	\$ 1,984,439	68.69%

^AAdjustment to meet CRMP needs for rest of year.

**California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
Main Program
2016 Budget Year**

	Approved 2016 Budget 1/1/2016	Adjustments ^A thru 11/30/2016	Augmentations thru 11/30/2016	2016 Budget after Augmentations and Adjustments	Used Budget as of 11/30/2016	Augmented & Adjusted Approved 2016 Budget Remaining as of 11/30/16	Percentage used of Augmented & Adjusted Approved 2016 Budget
Revenue							
Contribution from Members	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ (1,000,000)	100%
Total Revenue	-	-	-	-	1,000,000	(1,000,000)	100%
CRMP Administration Expenses							
Human Resources							
Travel	26,500			26,500	12,097	14,403	45.65%
Other	-			-	800	(800)	100%
Total Human Resources	26,500	-	-	26,500	12,897	13,603	48.67%
General Office							
Board Services	3,900			3,900	1,217	2,683	31.21%
Administration & Office	17,000			17,000	9,040	7,960	53.18%
Insurance	55,065			55,065	33,531	21,534	60.89%
Financial Audit	50,000			50,000	37,000	13,000	74.00%
Legal Services	200,000			200,000	58,295	141,705	29.15%
Public Relations for CRMP	20,000	(20,000)		-	-	-	0.00%
Total General Office	345,965	(20,000)	-	325,965	139,083	186,882	42.67%
EBB Program Expenses							
Software/Information Technology	23,120			23,120	18,028	5,092	77.98%
Call Center	64,800			64,800	40,541	24,259	62.56%
Program Evaluations - Customer Service Satisfaction	50,000	(50,000)		-	-	-	0.00%
Home Inspection Services	87,300			87,300	11,280	76,020	12.92%
EBB Marketing	300,000	70,000		370,000	293,798	76,202	79.40%
EBB Program Education	40,000			40,000	-	40,000	0.00%
Grants to Homeowners	2,100,000			2,100,000	683,596	1,416,404	32.55%
Total EBB Program Expenses	2,665,220	20,000	-	2,685,220	1,047,243	1,637,977	39.00%
Total Administrative and Program Expenses	\$ 3,037,685	\$ -	\$ -	\$ 3,037,685	\$ 1,199,223	\$ 1,838,462	39.48%

^AAdjustment to meet CRMP needs for rest of year.

**California Residential Mitigation Program
Project Budget Expenditures
Napa EBB
as of November 30, 2016**

	Project Budget	Used Budget Thru 12/31/15	2016 Used Budget	Total Used Budget	Remaining Budget \$	Used of Budget %
Revenue:						
FEMA Reimbursement Grant	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	0%
CEA Matching Contribution ¹	100,000	44,531	41,627	86,158	13,842	86%
Total Revenue	\$ 400,000	\$ 44,531	\$ 41,627	\$ 86,158	\$ 313,842	22%
Expenses:						
CEA Matching Expenses:						
Staff Time ¹	\$ 36,500	\$ 1,349	\$ 32,861	\$ 34,210	\$ 2,290	94%
Website ¹	3,000	43,182	8,766	51,948	(48,948)	1732%
	39,500	44,531	41,627	\$ 86,158	\$ (46,658)	218%
CRMP Expenses:						
Legal Services	12,500	19,440	11,295	30,735	(18,235)	246%
Call Center	9,000	-	514	514	8,486	6%
Marketing	28,000	9,996	16,287	26,283	1,717	94%
Insurance	1,000	-	-	-	1,000	0%
Photos of each house	10,000	-	-	-	10,000	0%
	60,500	29,436	28,096	57,532	2,968	95%
Homeowner Incentives:						
Grants to homeowners (100 payments at \$3,000)	300,000	-	125,928	125,928	174,072	42%
Total Expenses	\$ 400,000	\$ 73,967	\$ 195,651	\$ 269,618	\$ 130,382	67%

¹ FEMA matching requirements for revenue and expenses are only shown on project budget, they are not part of CRMP overall budget.

**California Residential Mitigation Program
Project Budget Expenditures
State of California - Department of Insurance
as of November 30, 2016**

	<u>Project Budget</u>	<u>Used Budget Thru 12/31/15</u>	<u>2016 Used Budget</u>	<u>Total Used Budget</u>	<u>Remaining Budget \$</u>	<u>Used of Budget %</u>
Revenue:						
Appropriation - 2015/2016 Program	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	100%
Total Revenue	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	100%
Expenses:						
Grants to homeowners (1,000 payments at \$3,000)	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	100%
Total Expenses	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	100%

Governing Board Memorandum

January 17, 2017

Agenda Item #5: 2017 CRMP Proposed Budget

Recommended Action: Board Approval Needed

Background:

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

Analysis:

Staff has prepared attachment A to assist the board in reviewing the proposed 2017 budget for the Earthquake Brace and Bolt program. The first page compares the 2016 Budget after Adjustments to the proposed 2017 Budget. The second page is a summary of all activities for the year. The remaining pages offer additional details of a portion of that budget, which correlates to its funding source.

Conclusion:

CRMP staff recommends approval of the 2017 CRMP Budget as presented.

**California Residential Mitigation Program
2017 Proposed Budget vs 2016 Adjusted Budget**

	2016	2017	Difference
Revenue			
FEMA	\$ 300,000	\$ 150,000	\$ (150,000)
Department of Insurance	3,000,000	3,000,000	-
Total Revenue	\$ 3,300,000	\$ 3,150,000	\$ (150,000)
CRMP Administration Expenses			
Human Resources			
Travel	\$ 26,500	\$ 37,000	\$ (10,500)
Total Human Resources	26,500	37,000	(10,500)
General Office			
Board Services	3,900	3,500	400
Administration & Office	17,000	62,150	(45,150)
Insurance	55,065	38,000	17,065
Financial Audit	50,000	50,000	-
Legal Services	200,000	200,000	-
Total General Office	325,965	353,650	(27,685)
EBB Program Expenses			
Software/Information Technology	23,120	23,650	(530)
Call Center	64,800	110,000	(45,200)
Home Inspection Services	87,300	95,000	(7,700)
EBB Marketing	370,000	325,000	45,000
EBB Program Education	40,000	75,000	(35,000)
Grants to Homeowners	5,400,000	7,515,000	(2,115,000)
Total EBB Program Expenses	5,985,220	8,143,650	(2,158,430)
Total Administrative and Program Expenses	\$ 6,337,685	\$ 8,534,300	\$ (2,196,615)

**California Residential Mitigation Program
2017 Proposed Budget**

Revenue

FEMA	\$ 150,000
Department of Insurance	3,000,000

Total Revenue \$ 3,150,000

CRMP Administration Expenses**Human Resources**

Travel	\$ 37,000
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Total Human Resources 37,000

General Office

Board Services	3,500
Administration & Office	62,150
Insurance	38,000
Financial Audit	50,000
Legal Services	200,000

Total General Office 353,650

EBB Program Expenses

Software/Information Technology	23,650
Call Center	110,000
Home Inspection Services	95,000
EBB Marketing	325,000
EBB Program Education	75,000
Grants to Homeowners (2,505 payments at \$3,000)	7,515,000

Total EBB Program Expenses 8,143,650

Total Administrative and Program Expenses \$ 8,534,300

**California Residential Mitigation Program
2017 Proposed Budget
Main Program**

Revenue

Contribution from Members

\$ -

Total Revenue\$ -**CRMP Administration Expenses****Human Resources**

Travel

\$ 37,000

Total Human Resources37,000**General Office**

Board Services

3,500

Administration & Office

62,150

Insurance

38,000

Financial Audit

50,000

Legal Services

200,000

Total General Office353,650**EBB Program Expenses**

Software/Information Technology

23,650

Call Center

108,500

Home Inspection Services

95,000

EBB Marketing

325,000

EBB Program Education

75,000

Grants to Homeowners (1,455 payments at \$3,000)

4,365,000

Total EBB Program Expenses4,992,150**Total Administrative and Program Expenses**\$ 5,382,800

**California Residential Mitigation Program
2017 Proposed Budget
Napa EBB**

Revenue:

FEMA Reimbursement Grant	\$ 150,000
CEA Matching Contribution ¹	<u>14,000</u>
Total Revenue	\$ 164,000

Expenses:**CRMP Matching Expenses:**

Staff Time ¹	\$ 14,000
Total CRMP Matching Expenses	<u>14,000</u>

CRMP Expenses:

Call Center	<u>1,500</u>
Total CRMP Expenses	<u>1,500</u>

Homeowner Incentives:

Grants to Homeowners (50 payments at \$3,000)	<u>150,000</u>
Total Homeowner Incentives	<u>150,000</u>

Total Expenses	<u>\$ 165,500</u>
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Note: This represents the activity during the 2017 CRMP fiscal year, not the entire project budget.

¹ Matching requirements only shown on project budget, they are not part of CRMP overall budget

**California Residential Mitigation Program
2017 Proposed Budget
State of California - Department of Insurance**

Revenue:

Appropriation - 2016/2017 Program	<u>\$ 3,000,000</u>
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Total Revenue	\$ 3,000,000
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Expenses:

Grants to Homeowners (1,000 payments at \$3,000)	<u>\$ 3,000,000</u>
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Total Expenses	\$ 3,000,000
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Governing Board Memorandum

January 17, 2017

Agenda Item #6: Insurance Update

Recommended Action: No Action Necessary

Background:

CRMP Treasurer, Tim Richison, will provide a recap of the CRMP insurance policies.

Recommendation:

No action is necessary.

**California Residential Mitigation Program
2017 Proposed Budget
State of California - Department of Insurance**

Revenue:

Appropriation - 2016/2017 Program - \$ 3,000,000

Total Revenue **\$ 3,000,000**

Expenses:

Grants to Homeowners (1,000 payments at \$3,000) - \$ 3,000,000

Total Expenses **\$ 3,000,000**

CRMP Governing Board Memorandum

January 17, 2017

Agenda Item 7: Earthquake Brace + Bolt Update

Recommended Action: Information Only

2016 Earthquake Brace + Bolt Program

The retrofit goal for the 2016 Earthquake Brace + Bolt (EBB) program was 600 retrofits. In addition to those retrofits, 1,000 retrofits were funded by \$3 million provided through an appropriation from the State of California to the California Department of Insurance, which has granted those funds to the CEA for mitigation-grant purposes. As of Nov 3, CRMP exhausted the \$3 million in state funding.

As of December 31, the following retrofits were completed and in progress. Homeowners accepted from the wait list in September have until March 2017 to complete their retrofits.

- Completed retrofits: 1,248
- Permits received: 371
- Extensions requested: 26
1,645

FEMA Hazard Mitigation Grant Program funding (Napa EBB)

Homeowner registration for 100 retrofits for Napa houses, funded by FEMA's Hazard Mitigation Grant Program, closed in March with 259 registrants. Currently, 39 Napa homeowners are on the wait list.

As of December 31, 2016, the following Napa EBB retrofits are in progress:

- Completed retrofits: 54
- Permits received: 14
- Extensions requested: 3
- Accepted 26
97

2017 Earthquake Brace + Bolt Program

The overall goal for the 2017 EBB program is 2,000 retrofits. Again this year, the first 1,000 retrofits will be funded by a \$3 million State of California appropriation through the Department of Insurance to CEA.

Homeowner registration will be open January 25 through February 27. Marketing to drive homeowner registration includes:

- press event the day registration opens in Los Angeles
- media outreach throughout the 30 days
- direct mail
- email campaigns
- digital ads

In early March, homeowners will be notified if they have been accepted into the program or placed on the waitlist.

EBB continues its ongoing effort to educate building departments about Chapter A3 of the California Building Code. Multiple training sessions will be offered in mid-February.

As approved, the 2017 EBB program expansion will add 40+ ZIP Codes in the following cities:

Northern California Cities (# of ZIP Codes)

El Cerrito (1)
Eureka (2)
Daly City/Colma (2)
Hayward/San Lorenzo (8)
San Bruno (1)
San Mateo (4)
Watsonville (2)
Hayward/San Lorenzo (8)

Southern California Cities (# of ZIP Codes)

Altadena (2)
Alhambra (4)
Claremont (1)
Redlands (6)
Santa Barbara (2)
Los Angeles (Additional 9 ZIP Codes)