

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, October 27, 2023

PUBLIC NOTICE

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

NOTICE IS HEREBY GIVEN that the Governing Board of the **California Residential Mitigation Program (CRMP)** will 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
801 K Street
Suite 1000, 10th Floor
Sacramento, CA 95814

DATE: Tuesday, November 7, 2023

TIME: 1:00 p.m.

TEAMS ACCESS TO MEETING: *

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

Enter Meeting ID: 267 132 160 189

Passcode: djosjJ

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

Dial-in-Number: +1 323-886-4439 United States, Los Angeles (Toll)
Enter Conference ID Number: 681 274 002#

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

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

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

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

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

AGENDA:

1. Call to order and member roll call:

Lori Nezhura, Chair; Deputy Director, Cal OES
George Sittner, Vice Chair; Chief Insurance and Claims Officer, CEA
Jennifer Bollinger, CRMP Board Member; Chief Counsel, Cal OES
Tom Welsh, CRMP Board Member; Chief Legal and Compliance Officer, CEA

Establishment of a quorum

2. Consideration and approval of the minutes of the August 15, 2023, CRMP Governing Board meeting.
3. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of September 30, 2023.
4. CRMP Treasurer Benjamin Kirwan will review the proposed CRMP 2024 Budget, for approval.
5. CRMP Executive Director Janiele Maffei will present her executive report.
6. CRMP Managing Director Jennifer Hogan will present the CRMP Mitigation update.

7. CRMP Managing Director Jennifer Hogan will present the proposed CRMP 2024 Governing Board meeting schedule, for approval.
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.

Inquiries/General Information:

Maura White

mwhite@calquake.com

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

* * * * *

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

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

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

CRMP Governing Board Memorandum

November 7, 2023

Agenda Item 2: Consideration and Approval of Board Minutes

Recommended Action: Review and approve Board minutes

Background:

Approval of Board minutes from August 15, 2023.

Recommendation:

Staff recommends approval of the Board teleconference minutes from August 15, 2023.



Draft Meeting Minutes
are not available.

Please see CRMP Governing
Board Meeting
Approved Minutes.

CRMP Governing Board Memorandum

November 7, 2023

Agenda Item 3: Treasurer's Financial Update

Recommended Action: No action required – information only

Background:

CRMP Treasurer, Ben Kirwan, will review the CRMP financial statements as of September 30, 2023.

Recommendation:

No action is necessary.

California Residential Mitigation Program
(CRMP)

FINANCIAL
REPORT

BOARD MEETING

Tuesday, November 7, 2023

California Residential Mitigation Program
Balance Sheet
As of September 30, 2023
Unaudited

Assets

Cash and cash equivalents	\$ 3,052,376
Accounts receivable	<u>8,596,417</u>
Total assets	<u><u>11,648,793</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>46,562</u>
Total liabilities	<u>46,562</u>

Fund Balance:

Unassigned	<u>11,602,231</u>
Total fund balance	<u>11,602,231</u>
Total liabilities and fund balance	<u><u>\$ 11,648,793</u></u>

California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ended September 30, 2023

Unaudited

Revenues:

Contributions from members	\$ 5,000,000
Contributions from other governments	11,393,077
	<hr/>
Total revenues	16,393,077
	<hr/>

Expenditures:

Administration and office expenses	30
Audit fees	62,000
Board meeting expenses	1,813
Grants to homeowners	11,171,746
Inspection services	120,519
Insurance	55,822
Software and IT support	88,630
Legal services	39,701
Marketing services/program education	157,827
Call center	6,285
	<hr/>

Total expenditures

 11,704,373

Net change in fund balance 4,688,704

Fund balance, beginning of year

 6,913,527

Fund balance, end of year to date \$ 11,602,231

California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2023 Budget Year
as of September 30, 2023

	2023 Actual Revenues and Expenditures	Approved 2023 Budget	Variance \$	%
Revenue				
CEA Mitigation Fund Contribution ¹	\$ 5,000,000	\$ 7,000,000	\$ (2,000,000)	-28.57%
FEMA - 4344 ²	18,000	210,000	(192,000)	-91.43%
FEMA - 4407 ESS ²	-	2,250,000	(2,250,000)	-100.00%
FEMA - 4407 EBB ²	2,013,382	2,400,000	(386,618)	-16.11%
FEMA - 4308 ³	9,361,695	21,860,000	(12,498,305)	-57.17%
Total Revenue	\$ 16,393,077	\$ 33,720,000	\$ (17,326,923)	-51.38%
CRMP Administration Expenses				
Administration and Office Expenses	\$ 30	\$ 8,300	\$ 8,270	99.64%
Board Meeting Expenses	1,813	1,800	(13)	-0.72%
Call Center	6,285	6,500	215	3.31%
Marketing Services/Program Education	157,827	550,000	392,173	71.30%
Audit Fees	62,000	65,000	3,000	4.62%
Inspection Services	120,519	280,000	159,481	56.96%
Insurance	55,822	59,500	3,678	6.18%
Legal Services	39,701	50,000	10,299	20.60%
Professional Dues and Memberships	-	800	800	100.00%
Software and IT Support	88,630	54,600	(34,030)	-62.33%
Travel	-	3,000	3,000	100.00%
Total Administration Expenses	532,627	1,079,500	546,873	50.66%
Grants to Homeowners				
Grants to Homeowners - FEMA 4344	18,000	210,000	192,000	91.43%
Grants to Homeowners - FEMA 4407 ESS	-	2,250,000	2,250,000	100.00%
Grants to Homeowners - FEMA 4407 EBB	2,013,382	2,400,000	386,618	16.11%
Grants to Homeowners - CRMP EBB	20,182	360,000	339,818	94.39%
Grants to Homeowners - FEMA 4308	9,120,182	21,500,000	12,379,818	57.58%
Total Grants to Homeowners	11,171,746	26,720,000	15,548,254	58.19%
Total Administrative and Grants to Homeowners	\$ 11,704,373	\$ 27,799,500	\$ 16,095,127	57.90%

¹ Original approved budget was \$3 million. At the June 8, 2023 CEA board meeting, CEA received board approval to transfer an additional \$4 million, as needed, to CRMP to support the cash flow needs for the remainder of 2023.

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

³ CRMP was awarded an additional \$80 million for FEMA 4308 in March 2022. The updated grant provisions related to FEMA 4308 allow for reimbursement of up to approximately \$6.5 million related to administrative costs of administering the \$80 million grant. Administrative costs that are for salaries, which are a CEA Mitigation expenditure, are not reimbursed to CRMP, and therefore not included on this budget report. Requested reimbursements for CRMP directly incurred expenses (such as marketing) are included.

Governing Board Memorandum

November 7, 2023

Agenda Item 4: 2024 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 2024 budget for the CRMP. This attachment compares the 2024 proposed budget to the 2023 actual expenses as of September 30, 2023.

The increase in proposed expenditures is directly related to expected increase in incentive payments for the various grant programs. Grants to homeowners are \$11,171,746 for the nine months ending September 30, 2023. The 2024 proposed budget for grants to homeowners, for all programs, is \$27,710,000. Additional information regarding the breakout of the grants is listed in attachment A.

Total budgeted program revenue for 2024 is \$28,012,500. This revenue will primarily come from grants received from FEMA to cover consumer incentives payments made by CRMP. The grants are received on a reimbursement basis, and the 2024 projected revenue represents the projected consumer incentives that will be processed in fiscal year 2024 as well as a portion of reimbursable administrative expenses for FEMA 4308. This revenue will be recognized monthly based on monthly incentives paid and reimbursable administrative expenses incurred.

In addition, it is not expected that CEA Mitigation will need to make any contributions in 2024 to the CRMP. In 2023, \$5,000,000 in contributions have been made to cover administrative and operational costs that are not covered by the FEMA grants, and any other potential cash-flow needs of CRMP during fiscal year 2023. Additionally, the CEA has board approval to send an additional \$2,000,000 to CRMP if any other cash-flow issues arise during fiscal year 2023. At this time, it is expected that CRMP should have sufficient cash-flow during fiscal year 2024.

For the remaining line items, most of the increase is being driven by expected increases in grant activity as well as the implementation of the new program for multi-family retrofits.

Recommendation:

CRMP staff recommend approval of the 2024 CRMP Budget as presented.

**California Residential Mitigation Program
2024 Proposed Budget vs 2023 Actuals (as of September 30, 2023)**

	2024 Proposed Budget	2023 Actuals 9/30/2023	Difference	2023 Approved Budget
Revenue				
FEMA *	\$ 28,012,500	\$ 11,393,077	\$ 16,619,423	\$ 26,720,000
Contribution from Members	-	5,000,000	(5,000,000)	3,000,000
Total Revenue	\$ 28,012,500	\$ 16,393,077	\$ 11,619,423	\$ 29,720,000
CRMP Administrative Expenses				
EBB Marketing/Program Education	\$ 550,000	\$ 157,827	\$ 392,173	\$ 550,000
Home Inspection Services	280,000	120,519	159,481	280,000
Financial Audit	67,500	62,000	5,500	65,000
Software/IT Support	89,700	88,630	1,070	54,600
Legal Services	100,000	39,701	60,299	50,000
Insurance	58,700	55,822	2,878	59,500
Administration & Office	8,300	30	8,270	8,300
Call Center	10,000	6,285	3,715	6,500
Travel	6,250	-	6,250	3,000
Board Services	2,800	1,813	987	1,800
Professional Due and Memberships	-	-	-	800
Total Administrative Expenses	1,173,250	532,627	640,623	1,079,500
Grants to Homeowners				
Grants to Homeowners - FEMA 4344	-	18,000	(18,000)	210,000
Grants to Homeowners - FEMA 4407 ESS	2,250,000	-	2,250,000	2,250,000
Grants to Homeowners - FEMA 4407 EBB	-	2,013,382	(2,013,382)	2,400,000
Grants to Homeowners - EBB	460,000	20,182	439,818	360,000
Grants to Homeowners - FEMA 4308	25,000,000	9,120,182	15,879,818	21,500,000
Total Grants to Homeowners	27,710,000	11,171,746	16,538,254	26,720,000
Total Administrative and Program Expenses	\$ 28,883,250	\$ 11,704,373	\$ 17,178,877	\$ 27,799,500

* FEMA revenue is received on a reimbursement basis. The revenue represents the consumer incentives completed for the FEMA programs along with a portion of reimbursable administrative expenses for FEMA 4308. The FEMA revenue will be adjusted monthly to reflect the reimbursement.

CRMP Governing Board Memorandum

November 7, 2023

Agenda Item 5: Executive Report by Executive Director Janiele Maffei

Recommended Action: No action required – information only

Background:

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

Recommendation:

No action necessary.

CRMP Governing Board Memorandum

November 7, 2023

Agenda Item 6: California Residential Mitigation Program incentive programs
(CRMP Earthquake Retrofit Programs)

Recommended Action: No action required – information only

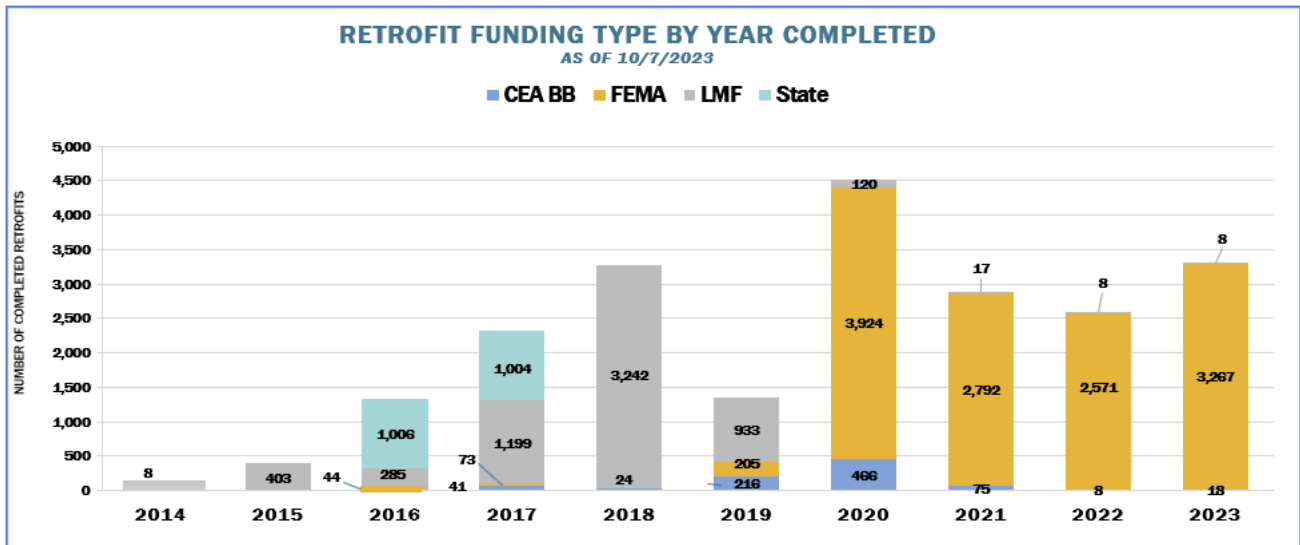
CRMP Retrofit Programs

Overall, more than 22,035 retrofits have been completed across all CRMP EBB programs. This is an increase of 1,354 retrofits from the previous Governing Board meeting, 1,329 of which were completed under the various FEMA-funded HMGP programs. Seven retrofits were completed under the CRMP 2019 EBB program, which will continue to remain open while there are FEMA-funded programs available to allow applicants who started work prior to approval an opportunity to receive a grant.

The CEA BB program recently re-opened to homeowners that own a CEA earthquake insurance policy. From the previous meeting, 18 homeowners have completed retrofits, with an additional 319 currently in progress.

Earthquake Brace + Bolt Program 10/7/2023 CRMP and CEA by Program Cycle			
Program	Completed	In Progress	Status
2014-2018 EBB	7,598	N/A	Closed
FEMA Napa EBB	110	N/A	Closed
CEA BB	880	319	Open
CRMP 2019 EBB	607	1	Open
FEMA – funded HMGP DR 4308, 4344, & 4407	12,840	3,043	Open
Total	22,035	3,363	

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



Staff Efforts:

CRMP staff continue their efforts, busy working from home since the last Board meeting (July 16th – October 7th):

- 6,676 Incoming Calls (113 calls/day)
- 3,205 Outbound Calls this period
- 3,145 Emails Answered

Future Funding Opportunities

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

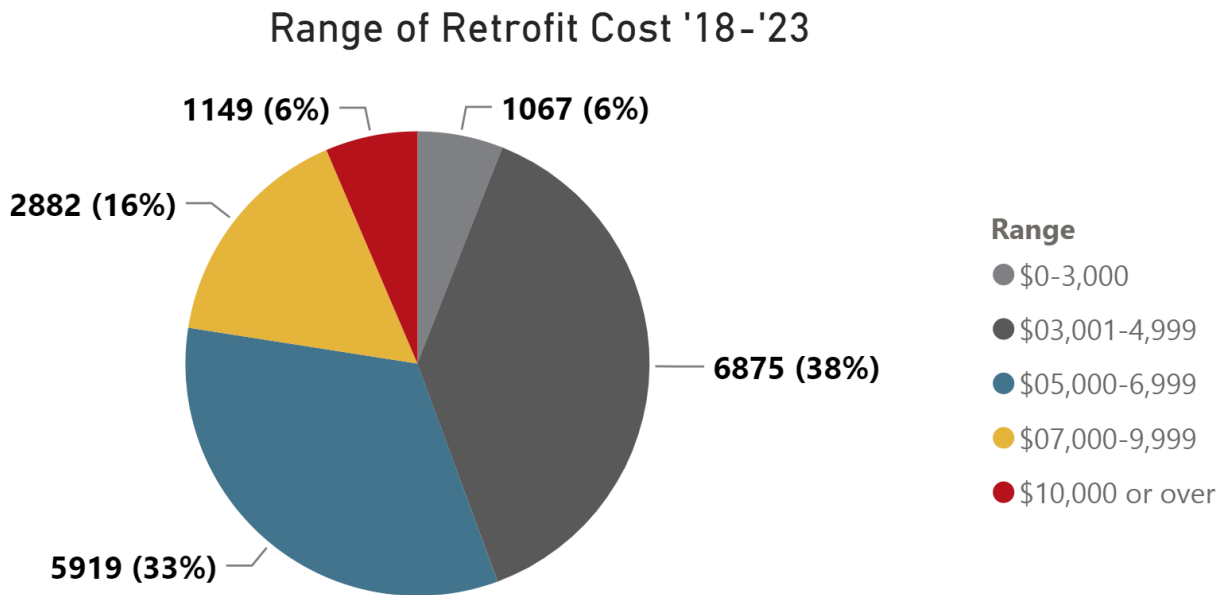
Current HMGP and BRIC applications (approved and submitted) include requests for an additional \$181M in funding:

Cal OES/FEMA Grant Funding Applications			
Grant Program	Funding Request	Program Type	Status
HMGP DR 4308	\$86M	EBB	Approved—time extension to 4/1/23
HMGP DR 4344	\$20M	EBB	Approved—in closeout with Cal OES

HMGP DR 4407	\$5M	EBB	Approved—time extension to 9/20/23
HMGP DR 4407	\$5M	ESS	Approved—time extension to 9/23/24
2021 BRIC	\$20M	Multi-family ESS	FEMA Selected for further review (Round 2)—8/22
2022 BRIC	\$20M	Multi-family ESS	Submitted last RFI response on 12/16/22
HMGP DR 4683	\$5M	EBB	Submitted last RFI response on 9/12/23
2023 BRIC	\$20M	Multi-family ESS	NOI submitted 8/4/23. Subapplication due 12/13/23

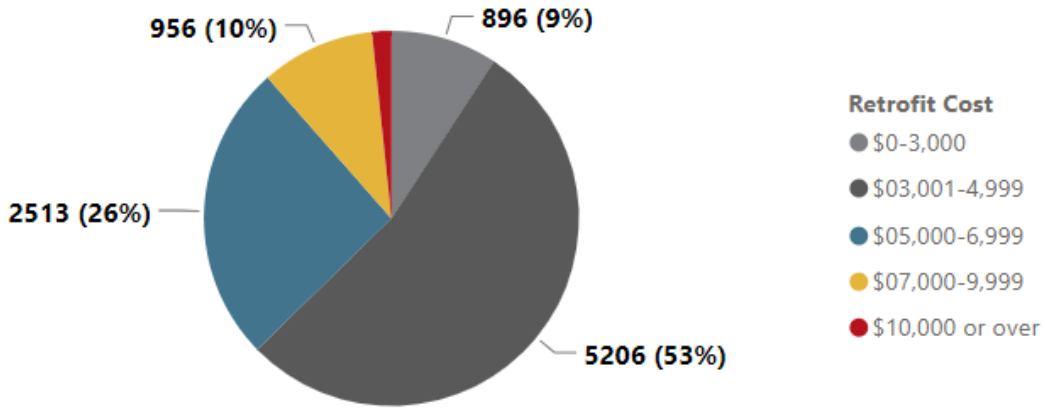
EBB Northern and Southern Regional Differences

The cost of retrofits within specific ranges remained stable during this reporting period. For all retrofits completed, 6% cost less than \$3,001.

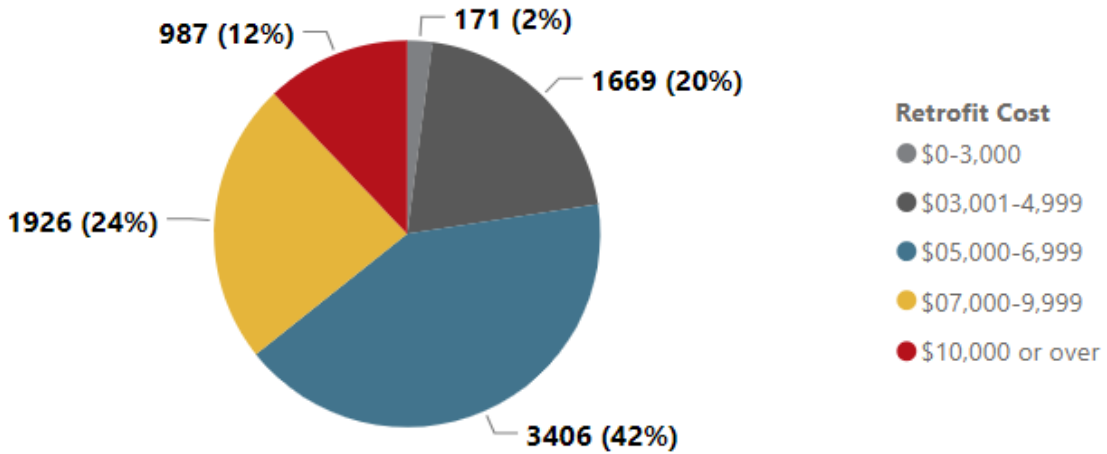


The average retrofit cost in Northern California remains higher than that in Southern California, with the average cost for program year 2019 and beyond in Northern California being \$7,761, versus \$4,939 in Southern California.

Range of Retrofit Cost SoCal '18-'23



Range of Retrofit Cost NorCal '18-'23



Other Items of Interest

- ESS Progress
 - The ESS program began with 538 homeowners registering for the program. The first group of 385 homeowners was accepted into the program on June 30, 2023. 153 homeowners were placed on the waitlist.
 - Homeowners have 90 days from their acceptance date to provide their pre-retrofit documentation, request an extension, or withdraw from the program. By the 90-day deadline on September 30th, 71 homeowners voluntarily withdrew from the program. Most of them cited cost as the primary reason for withdrawing. 71 additional homeowners were accepted into the program from the waitlist to fill the slots of those who withdrew, reducing the waitlist to 82.
 - Wanting homeowners to be successful in the program and ultimately retrofit their homes, an email was sent to all program participants giving them an additional two weeks to submit pre-retrofit documentation, request an extension, or withdraw from the program. If they did not complete the tasks by October 18th, we would withdraw them from the program.
 - 291 homeowners did not respond to this last call for action and were withdrawn from the program. 92 homeowners requested an extension, 67 are in accepted status with 90 days to submit their pre-retrofit documentation, and 6 have submitted pre-retrofit documentation and are in preliminary review. The remaining 82 homeowners will be accepted into the program, by October 27th.

- Humboldt EBB
 - Two homeowners have completed retrofits in the Humboldt program. 14 are in pre-retrofit, 7 are in post-retrofit, and 281 are in accepted status and have until November 23rd to submit pre-retrofit documentation, request an extension, or withdraw from the program.

- BRIC Updates
 - BRIC 2023 Notice of Funding Opportunity (NOFO) released October 12th.
 - Subapplication due to Cal OES December 12th, and application due to FEMA February 29th.

- Update on marketing and public relations efforts.

CRMP Governing Board Memorandum

November 7, 2023

Agenda Item 7: Proposed 2024 CRMP Governing Board Meeting Schedule

Recommended Action: Board approval needed

Background:

CRMP Managing Director Jennifer Hogan will present to the Board the proposed 2024 CRMP Governing Board Meeting Schedule, for approval.

Recommendation:

Staff recommends the Board approve the proposed CRMP 2024 Governing Board meeting schedule.

**CALIFORNIA RESIDENTIAL MITIGATION PROGRAM
PROPOSED 2024 GOVERNING BOARD MEETING DATES**

MEETING DATE	LOCATION
<p align="center">FEBRUARY 27 1:00pm</p>	<p align="center">CEA & Teams Meeting</p>
<p align="center">JUNE 4 1:00pm</p>	<p align="center">CEA & Teams Meeting</p>
<p align="center">AUGUST 27 1:00pm</p>	<p align="center">CEA & Teams Meeting</p>
<p align="center">NOVEMBER 19 1:00pm</p>	<p align="center">CEA & Teams Meeting</p>
<p>INQUIRIES & GENERAL INFO: Maura White 916-281-4905 (Direct) mwhite@calquake.com</p>	<p>MEDIA CONTACT: D’Anne Ousley 916-661-5524 (Direct) dousley@calquake.com</p>

Persons with disabilities may request special accommodations at this or any future CRMP Governing Board meeting or may request the accommodation necessary to receive agendas or materials prepared for its board meetings. Please contact Maura White by email at mwhite@calquake.com. We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.