

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, May 19, 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 **conduct a remote teleconference meeting** on Tuesday, May 30, 2023, at 12:30 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.

This meeting will be conducted by teleconference only as authorized under Government Code section 11133 (SB 189, June 30, 2022). 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 the meeting (except for any closed session items) and offer comment at this public meeting as described in this Notice.

DATE: Tuesday, May 30, 2023

TIME: 12:30 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: 282 957 499 35

Passcode: P7iduM

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

Dial-in-Number: +1 323-886-4439 United States, Los Angeles (Toll)
Enter Conference ID Number: 597 127 413#

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:

Laurie Johnson, Chair, CRMP Governing Board
Lori Nezhura, Vice Chair Appointee, Deputy Director, Cal OES
Jennifer Bollinger, Chief Counsel, Cal OES
Tom Welsh, CEA Appointee, CRMP Governing Board

Establishment of a quorum

2. Consideration and approval of the minutes of the February 14, 2023, CRMP Governing Board meeting.
3. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of April 30, 2023.
4. CRMP Executive Director Janiele Maffei will present her executive report.
5. CRMP Managing Director Jennifer Hogan will present the CRMP Mitigation (Earthquake Brace + Bolt) update.

6. CRMP Managing Director Jennifer Hogan will provide an update of the Business Plan for review and approval.
7. Keith Porter, PE PhD, will present on the market value of seismic retrofits, or Natural hazard mitigation pays.
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

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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 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

May 30, 2023

Agenda Item 2: Consideration and Approval of Board Minutes

Recommended Action: Review and approve Board minutes

Background:

Approval of Board minutes from February 14, 2023.

Recommendation:

Staff recommends approval of the Board teleconference minutes from February 14, 2023.



Draft Meeting Minutes
are not available.

Please see CRMP Governing
Board Meeting
Approved Minutes.

CRMP Governing Board Memorandum

May 30, 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 April 30, 2023.

Recommendation:

No action is necessary.

California Residential Mitigation Program
(CRMP)

FINANCIAL
REPORT

BOARD MEETING
Tuesday, May 30, 2023

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

Assets

Cash and cash equivalents	\$ 1,616,248
Accounts receivable	<u>8,298,075</u>
Total assets	<u><u>9,914,323</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>81,614</u>
Total liabilities	<u>81,614</u>

Fund Balance:

Unassigned	<u>9,832,709</u>
Total fund balance	<u>9,832,709</u>
Total liabilities and fund balance	<u><u>\$ 9,914,323</u></u>

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

Unaudited

Revenues:

Contributions from members	\$ 3,000,000
Contributions from other governments	4,294,792
	<hr/>
Total revenues	7,294,792
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Expenditures:

Administration and office expenses	30
Audit fees	20,000
Board meeting expenses	940
Grants to homeowners	4,201,578
Inspection services	35,640
Software and IT support	26,094
Legal services	23,266
Marketing services/program education	65,977
Call center	2,085
	<hr/>

Total expenditures 4,375,610

Net change in fund balance 2,919,182

Fund balance, beginning of year 6,913,527

Fund balance, end of year to date \$ 9,832,709

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

	2023 Actual Revenues and Expenditures	Approved 2023 Budget	Variance \$	%
Revenue				
CEA Mitigation Fund Contribution	\$ 3,000,000	\$ 3,000,000	\$ -	0.00%
FEMA - 4344 ¹	18,000	210,000	(192,000)	-91.43%
FEMA - 4407 ESS ¹	-	2,250,000	(2,250,000)	-100.00%
FEMA - 4407 EBB ¹	1,515,618	2,400,000	(884,382)	-36.85%
FEMA - 4308 ²	2,761,174	21,860,000	(19,098,826)	-87.37%
Total Revenue	\$ 7,294,792	\$ 29,720,000	\$ (22,425,208)	-75.45%
CRMP Administration Expenses				
Administration and Office Expenses	\$ 30	\$ 8,300	\$ 8,270	99.64%
Board Meeting Expenses	940	1,800	860	47.78%
Call Center	2,085	6,500	4,415	67.92%
Marketing Services/Program Education	65,977	550,000	484,023	88.00%
Audit Fees	20,000	65,000	45,000	69.23%
Inspection Services	35,640	280,000	244,360	87.27%
Insurance	-	59,500	59,500	100.00%
Legal Services	23,266	50,000	26,734	53.47%
Professional Dues and Memberships	-	800	800	100.00%
Software and IT Support	26,094	54,600	28,506	52.21%
Travel	-	3,000	3,000	100.00%
Total Administration Expenses	174,032	1,079,500	905,468	83.88%
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	1,515,618	2,400,000	884,382	36.85%
Grants to Homeowners - CRMP EBB	3,526	360,000	356,474	99.02%
Grants to Homeowners - FEMA 4308	2,664,434	21,500,000	18,835,566	87.61%
Total Grants to Homeowners	4,201,578	26,720,000	22,518,422	84.28%
Total Administrative and Grants to Homeowners	\$ 4,375,610	\$ 27,799,500	\$ 23,423,890	84.26%

¹ FEMA revenue is direct reimbursement based, so revenue is adjusted monthly to match FEMA incentive payments paid.

² 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 \$3 million related to administrative costs of administering the \$80 million dollar 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.



Cash Flow Memo

Funding for CRMP is provided by voluntary contributions from California Earthquake Authority's (CEA) loss mitigation fund, or grants from governmental agencies.

CRMP continues to expand the Earthquake Brace + Bolt program each year, with additional ZIP Codes generally added whenever enrollment is opened. CRMP continues to see significant interest and participation in the program. CRMP is consistently monitoring opportunities for funding beyond its members, so that it can continue to grow and meet the program objectives. CRMP was awarded \$114 million in FEMA grants from 2019-2021.

The grant money is first received by Cal OES and then transferred to the CEA after Cal OES approval of the request for reimbursement of eligible expenditures. CRMP is the subrecipient of the CEA and the money is wired to CRMP upon the receipt of funds by the CEA.

As of May 5, 2023, the receivable balance of \$5.1 million is due from Cal OES as reimbursement for the FEMA grants. The balance will be paid after Cal OES has approved the request for reimbursement of eligible expenditures. The current balance due to CRMP is made up of the following submitted requests:

<u>Period of Grant Payments made</u>	<u>Grant Program</u>	<u>Request #</u>	<u>Date submitted to Cal OES</u>	<u>Amount</u>
1. 12/03/2022 - 12/16/2022	4407	27	1/6/2023	\$ 516,000
2. 02/25/2023 - 03/10/2023	4308	82	3/27/2023	366,472
3. 03/11/2023 - 03/24/2023	4308	83	4/12/2023	342,344
4. 03/11/2023 - 03/24/2023	4407	34	4/12/2023	153,000
5. Closeout documents - retention	4344	closeout	4/12/2023	2,000,000
6. 03/25/2023 - 04/07/2023	4308	84	4/25/2023	445,564
7. 03/25/2023 - 04/07/2023	4407	35	4/25/2023	99,000
8. 04/08/2023 - 04/21/2023	4308	85	5/3/2023	300,144
9. 04/22/2023 - 04/28/2023	4308	86	5/3/2023	172,347
10. 04/08/2023 - 04/21/2023	4407	36	5/3/2023	103,932
11. 4/22/2023 - 04/28/2023	4407	37	5/3/2023	42,000
12. Grant payments not reimbursed - misc differences	4308	various	various	580,914
Total Receivable Balance				\$ 5,121,717

The CEA was informed that June 1, 2023 would be the last day Cal OES could submit requests for payment processing to the SCO. After that date, the staff of Cal OES will not process any reimbursement requests until the State of California's 2024 budget takes effect on July 1, 2023. It is our understanding that after the budget takes effect on July 1, 2023 Cal OES will need additional time to set-up their books, and a realistic timeline to start receiving any reimbursements from Cal OES/SCO could potentially be the end of August 2023.

The inconsistent timing of when reimbursement requests are approved and subsequently paid is causing a strain on the staff of the CEA to confidently project the timing of future cash in-flows. To help ensure that CRMP's cash reserve will be sufficient to cover CRMP cash flow needs through the end of August 2023, the staff of the CEA will seek approval from its Governing Board on June 8, 2023, to transfer \$4 million from the CEA's loss mitigation fund to CRMP.

CRMP Governing Board Memorandum

May 30, 2023

Agenda Item 4: 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

May 30, 2023

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

Recommended Action: No action required – information only

CRMP Retrofitting Programs

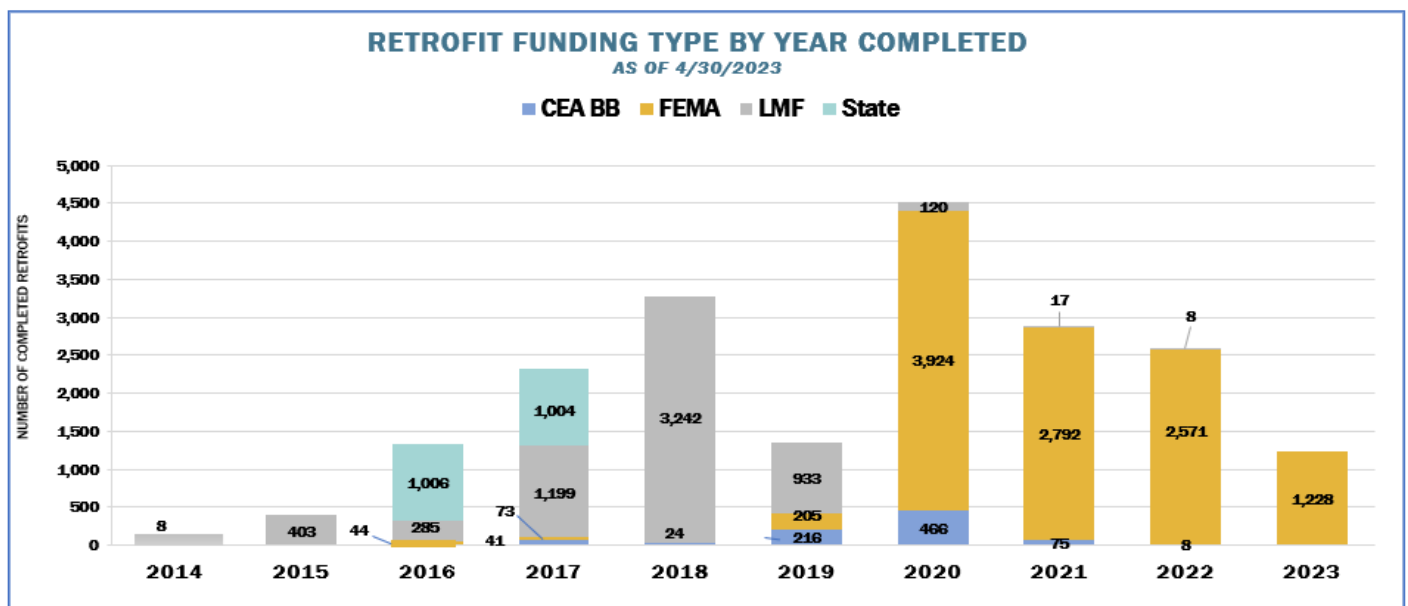
Overall, more than 19,885 retrofits have been completed. CRMP completed 6,685 EBB retrofits in the HMGP 4344 grant. The HMGP 4407 EBB program funding can support 1,666 grants available, of which 1,486 are completed, and 123 are in-process. All retrofits available in the initial HMGP 2019 4308 grant (1,337) have been completed. CEA was awarded an additional \$80M under the HMGP 4308 grant and with the additional funding, the HMGP 2021/2022 4308 program has 21,072 grants available (18,043 main grants and 3,029 supplementary grants). There are 1,210 retrofits completed, 3,107 in-process, and an additional 4,222 brought into the program. There are 983 supplemental grant recipients in-process. additional SG applicants are waiting to be brought into the program. The CRMP-funded program, with 1,000 grants available, has 599 retrofits completed, 1 currently in-process and no extensions. This program will remain open while there are FEMA-funded programs available to allow applicants who started work prior to approval an opportunity to receive a grant.

Earthquake Brace + Bolt Program 4/30/2023 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	862	N/A	Closed
CRMP 2019 EBB	599	1	Open
FEMA – funded HMGP DR 4308, 4344, & 4407	10,716	3,107	Open
Total	19,885	3,108	

CRMP was able to work with Cal OES to receive a \$2M funding augmentation under HMGP 4308 to support a Humboldt County EBB registration opportunity. These additional funds provide an opportunity for up to 200 homeowners in 13 eligible ZIP Codes in Humboldt County to receive an EBB retrofit grant, and supplemental grant if eligible. CRMP opened registration for Humboldt ZIP Codes on Monday, May 22nd, and registration will remain open through July 31st. As of May 24th, 93 qualified homeowners have registered for the program.

CRMP launched the Earthquake Soft-Story (ESS) program on April 25th, 2023. Registration will remain open through May 31st, 2023. ESS offers roughly 350 grants to qualified participants. As of May 24th, there are 412 qualified homeowners registered for the program. 117 qualified contractors have completed the necessary FEMA training for ESS and are active on our contractor directory.

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).



EBB staff continue to be busy working from home since the last Board meeting (Feb 1st – April 30th):

- 5,399 Incoming Calls (89 calls/day)
- 5,483 Outbound Calls this period
- 3,278 Emails Answered

- 924 Applications sent to FEMA
- 934 Retrofits Completed

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 (submitted and waitlisted) include requests for an additional \$266M in funding:

Cal OES/FEMA Grant Funding Applications			
Grant Program	Funding Request	Program Type	Status
HMGP DR 4308	\$84M	EBB	Approved—time extension to 4/1/23
HMGP DR 4344	\$20M	EBB	Approved—time extension to 10/19/23
HMGP DR 4407	\$5M	EBB	Approved
HMGP DR 4407	\$5M	ESS	Approved
HMGP DR 4431	\$3M	EBB	Waitlisted - Waitlist Expired
HMGP DR 4434	\$3M	EBB	Waitlisted – Waitlist Expired
HMGP DR 4558	\$20M	EBB	Waitlisted – Waitlist Expired
HMGP DR 4569	\$50M	ESS	Waitlisted – Waitlist Expired
HMGP DR 4558 Round II	\$50M	ESS	Waitlisted – Waitlist Expired
HMGP DR 4569	\$20M	EBB	Waitlisted – Waitlist Expired
2021 BRIC	\$20M	Multi-family ESS	FEMA Selected for further review (Round 2)—8/22
2022 HMGP	\$20M	EBB	Waitlisted
2022 HMGP	\$50M	ESS	Waitlisted
2022 HMGP	\$5M	PrepareCA	Waitlisted
2022 BRIC	\$20M	Multi-family ESS	Submitted last RFI response on 12/16/22
HMGP DR 4683	\$5M	EBB	NOI approved. Subapplication due 8/4/23

EBB Program Contractors

Of the contractors on the EBB Directory (Directory), 402 have completed at least one retrofit – an increase of 11 contractors since the last report. There is also an increase in the average number of retrofits completed per contractor on the directory since the last report, from 44 to 46. As contractors withdraw from the

Directory, licenses are not renewed, or a contractor has not completed the training, a discrepancy between registered contractors and contractors on the Directory may occur. All current contractors have been contacted and encouraged to update the ZIP Codes in which they are willing to work.

Contractors in EBB Directory - Range of Retrofits Paid	
Project Count Range	Count of Contractor Paid Projects
400+	13
100-399	23
050-99	21
021-49	32
011-20	38
006-10	51
002-5	102
001	122
0	797
Total	1199 <small>As of 4/30/2023</small>

Count of Contractors with 1 or More Paid Projects

402

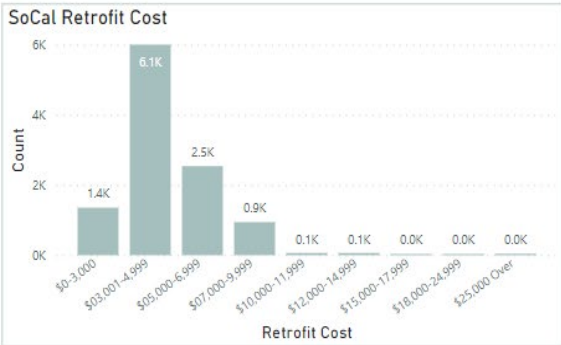
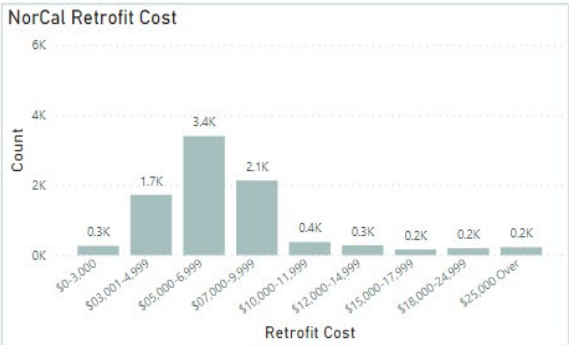
Average Number of Paid Projects per Contractor

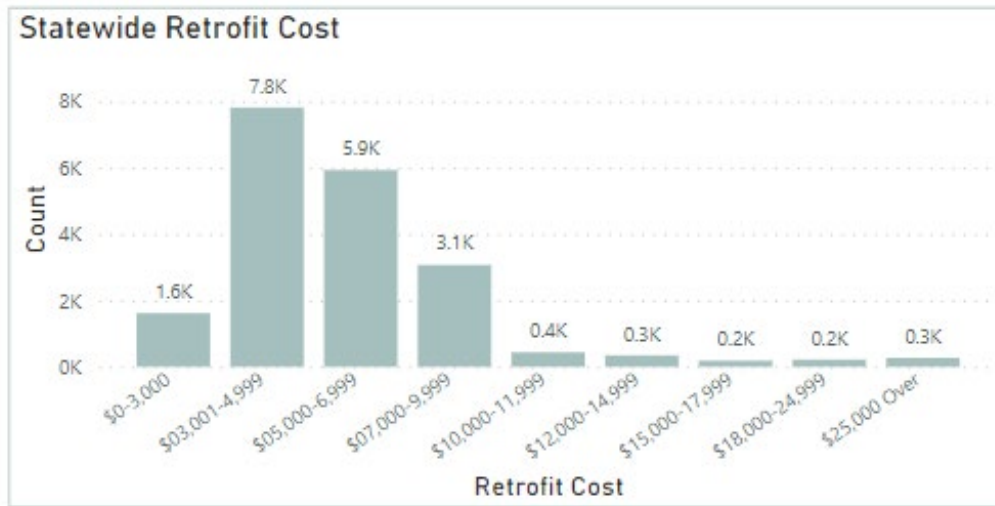
46

Note: The number of completed retrofits is lower than total completed because it does not include retrofits completed by contractors not on the Directory. The CEA BB program did not require policyholders to use contractors on the Directory.

EBB Northern and Southern Regional Differences

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 \$7,369, versus \$5,000 in Southern California. The Executive Director will provide additional detail in her executive report and future data.





The cost of retrofits within specific ranges remained stable during this reporting period. For all retrofits completed, 8% cost less than \$3,001. Of the completed retrofits 3% were under \$3,001 in Northern California and 12% are in Southern California. A total of 47% of the completed retrofits cost less than \$5,000. A further breakdown of this data shows 23% of completed retrofits were in Northern California and 67% in Southern California. A total of 77% of all retrofits cost less than \$7,000, 62% in Northern California and 90% in Southern California, and 93% cost less than \$10,000.

Engineered and Non-Engineered Retrofits

Engineered retrofits continue to be substantially more costly than non-engineered retrofits. With 49 engineered retrofits completed in the 2021 program, the average cost decreased slightly from the previous quarterly report from \$21,471 to \$18,021. Non-engineered retrofits have increased slightly from \$5,576 - \$5,695.

All Programs - Retrofits by Type

Type of Retrofit	Count	Average	Median	Min	Max
Engineered	1344	\$15,047	\$10,923	\$1,220	\$96,788
Non - Engineered	15111	\$5,502	\$5,026	\$211	\$60,844
Total	16455	\$6,282	\$5,230	\$211	\$96,788

*All Programs total is low due to missing data

All 2021 FEMA Programs - Retrofits by Type

Type of Retrofit	Count	Average	Median	Min	Max
Engineered	129	\$18,021	\$10,629	\$2,998	\$96,788
Non - Engineered	2566	\$5,695	\$5,200	\$1,734	\$28,605
Total	2695	\$6,285	\$5,300	\$1,734	\$96,788

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 2021 program is almost evenly distributed between the two regions, which is different from the 2019 program, but similar to the 2020 program. The overall completion rate for the 2018 EBB program was 45%. The rate for the 2019 and 2020 programs will not be calculated until the programs close.

Other Items of Interest

- SB 189 – \$250M for multi-family soft-story retrofits reintroduced in AB 1505 and passed Assembly Emergency Management Committee on April 17th. Bill passed out of the Assembly Appropriates Committee but was amended to become intent language only.
- BRIC – CRMP was notified in early August that the 2021 \$20M BRIC grant submitted for a multi-family, soft-story program was selected for further review by FEMA. The application is currently undergoing review by FEMA’s Environmental and Historic Review process and further programmatic evaluation. Funding is anticipated to be approved. Cal OES submitted CRMP’s application for BRIC FY22 (Multi-Family ESS - \$20M) to FEMA on January 25th.
- HMGP DR 4344 – closeout documents were submitted to Cal OES in April.
- Additional Funding – CRMP submitted a Notice of Interest (NOI) under HMGP DR 4683 for \$5M in additional funding for the EBB program. The NOI was approved to submit a subapplication, due August 4th.

CRMP Governing Board Memorandum

May 30, 2023

Agenda Item 6: CRMP Business Plan

Recommended Action: Review and approve business plan

Background:

CRMP Managing Director Jennifer Hogan will present the business plan for Board approval. The plan was last presented to the Board at the February 2022 meeting and was approved. The Governing Board is required by the CRMP Joint Exercise of Powers Agreement to review and update the CRMP business plan annually.

An overview of the recommended changes are as follows:

- Technical clean-up in Section 1, as follows:
 - Abbreviate language from:
“..., to the owners residential buildings consistent with the JPA in California who wish to retrofit their dwellings to protect against earthquake damage.”
 - Change to:
“..., to the owners of residential buildings consistent with the JPA in California who wish to retrofit their dwellings to protect against earthquake damage.”
- Technical clean-up in Section 2A, as follows:
 - Abbreviate language from:
“The CEA contributions will be used for the programs described at www.earthquakebracebolt.com.”
 - Change to:
“The CEA contributions will be used for the programs described at www.earthquakebracebolt.com and www.earthquakesoftstory.com.”
- Technical clean-up in Section 2B, as follows:
 - Abbreviate language from:
“..., Cal OES, CEA, and CRMP plan to seek federal funding under FEMA’s earthquake hazard mitigation grant program and other FEMA funding sources.”
 - Change to:
“..., Cal OES, CEA, and CRMP plan to seek federal funding under FEMA’s hazard mitigation assistance grant programs and other FEMA funding sources.”

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
revised 9/15/2020
adopted 2/22/21
revised 2/14/22*

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 residential buildings consistent with the JPA in California who wish to retrofit their dwellings to protect against earthquake damage.

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 governing board from time to time, including but not limited to the latest edition of Chapters A3 and A4 of the California Existing Building Code; ASCE 41; 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 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;

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

D. Governing 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. program that the governing board decides are appropriate;
5. approve contracts that fall outside the scope of authority delegated to the Executive Director;
6. conduct, or delegate responsibility for, annual performance reviews of key staff; and
7. 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 and www.earthquakesoftstory.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 for administrative or operations costs except for funds provided by FEMA or other grant programs. Cal OES, CEA, and CRMP plan to seek federal funding under FEMA's **earthquake** hazard mitigation **assistance** grant programs 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.

CRMP Governing Board Memorandum

May 30, 2023

Agenda Item 7: Presentation by Keith Porter, PE PhD

Recommended Action: No action required – information only

Background:

Dr. Porter serves as chief engineer to the Institute for Catastrophic Loss Reduction in London, Ontario. He is a structural engineer specializing in catastrophe risk management and performance-based engineering. He led Natural Hazard Mitigation Saves, the most-exhaustive benefit-cost analysis of disaster mitigation ever. He also led engineering for the US Geological Survey's ShakeOut, ARkStorm, Tsunami, and HayWired disaster scenarios.

Summary:

Dr. Porter will discuss his research findings on the market value of seismic retrofitting, or Natural hazard mitigation pays.

Recommendation:

No action necessary.