

CRMP

California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, November 8, 2024

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 hold an open, teleconferenced meeting in Sacramento, California pursuant to Government Code section 11123.2. Members of the public may attend using the Microsoft Teams link, the dial-in number, or in-person at the teleconference location, each of which is provided below. A majority of the members of the board will be physically present at the teleconference location provided below in accordance with Gov. Code section 11123.2(j). 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.

TELECONFERENCE LOCATION:

**California Earthquake Authority
400 Capitol Mall
Suite 1200
Sacramento, CA 95814**

DATE: Tuesday, November 19, 2024

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: 292 431 319 282

Passcode: YyNes4

Direct Link: [Join the meeting now](#)

Dial-in-Number: +1 323-886-4439 United States, Los Angeles (Toll)
Enter Conference ID Number: 610 906 24#

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. When required, CRMP will adjourn the meeting in accordance with Gov. Code section 11123.2(o).

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
Eric Swanson, CRMP Board Member; Deputy Director of Finance and Administration, Cal OES
Tracy Palombo, CRMP Board Member; Reinsurance and Risk-Transfer Director, CEA

Establishment of a quorum

2. Consideration and approval of the minutes of the August 27, 2024, CRMP Governing Board meeting.
3. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of September 30, 2024.
4. CRMP Treasurer Benjamin Kirwan will review the proposed CRMP 2025 Budget, for approval.
5. CRMP Executive Director Janiele Maffei will present her executive report.

6. EBB Program Manager Mark Grissom will present the CRMP Mitigation update.
7. EBB Program Manager Mark Grissom will present the proposed CRMP 2025 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.californiarresidentialmitigationprogram.com/about-us/public-meetings**

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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

November 19, 2024

Agenda Item 2: Consideration and Approval of Board Minutes

Recommended Action: Review and approve Board minutes

Background:

Approval of Board minutes from August 27, 2024.

Recommendation:

Staff recommends approval of the Board teleconference minutes from August 27, 2024.



**CALIFORNIA RESIDENTIAL
MITIGATION PROGRAM**

Draft Meeting Minutes
are not available.

Please see CRMP Governing
Board Meeting
Approved Minutes.

CRMP Governing Board Memorandum

November 19, 2024

Agenda Item 3: Treasurer's Financial Update

Recommended Action: No Action Necessary

Background:

CRMP Treasurer, Ben Kirwan, will review the CRMP financial statements as of September 30, 2024.

Recommendation:

No action is necessary.

California Residential Mitigation Program
(CRMP)

FINANCIAL
REPORT

BOARD MEETING

Tuesday, November 19, 2024

California Residential Mitigation Program
Balance Sheet
As of September 30, 2024
Unaudited

Assets

Cash and cash equivalents	\$ 7,944,542
Accounts receivable	<u>7,212,251</u>
Total assets	<u><u>15,156,793</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable and accrued expenses	<u>5,029</u>
Total liabilities	<u>5,029</u>

Fund Balance:

Unassigned	<u>15,151,764</u>
Total fund balance	<u>15,151,764</u>
Total liabilities and fund balance	<u><u>\$ 15,156,793</u></u>

California Residential Mitigation Program
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Nine Months Ended September 30, 2024

Unaudited

Revenues:

Contributions from members	\$ 4,000,000
Contributions from other governments	13,389,230
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Total revenues	17,389,230
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Expenditures:

Administration and office expenses	16,000
Audit fees	64,000
Board meeting expenses	670
Grants to homeowners	12,968,701
Inspection services	137,760
Insurance	86,477
Software and IT support	35,006
Legal services	32,883
Marketing services/program education	247,057
Call center	6,265
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Total expenditures 13,594,819

Net change in fund balance 3,794,411

Fund balance, beginning of year 11,357,353

Fund balance, end of year to date \$ 15,151,764

California Residential Mitigation Program
Budgeted Expenditures and Actual Expenditures
2024 Budget Year
as of September 30, 2024

	2024 Actual Revenues and Expenditures	Approved 2024 Budget	Variance	
			\$	%
Revenue				
FEMA ¹	\$ 13,389,230	\$ 28,012,500	\$ (14,623,270)	-52.20%
Contribution from Members	4,000,000	-	4,000,000	N/A
Total Revenue	\$ 17,389,230	\$ 28,012,500	\$ (10,623,270)	-37.92%
CRMP Administration Expenses				
Administration & Office	\$ 16,000	\$ 8,300	\$ (7,700)	-92.77%
Board Services	670	2,800	2,130	76.07%
Call Center	6,265	10,000	3,735	37.35%
EBB Marketing/Program Education	247,057	550,000	302,943	55.08%
Financial Audit	64,000	67,500	3,500	5.19%
Home Inspection Services	137,760	280,000	142,240	50.80%
Insurance	86,477	58,700	(27,777)	-47.32%
Legal Services	32,883	100,000	67,117	67.12%
Software/IT Support	35,006	89,700	54,694	60.97%
Travel	-	6,250	6,250	100.00%
Total Administration Expenses	626,118	1,173,250	547,132	46.63%
Grants to Homeowners				
Grants to Homeowners - FEMA 4407 ESS	-	2,250,000	2,250,000	100.00%
Grants to Homeowners - FEMA 4407 EBB	9,000	-	(9,000)	N/A
Grants to Homeowners - CRMP EBB	50,266	460,000	409,734	89.07%
Grants to Homeowners - FEMA 4308	12,909,435	25,000,000	12,090,565	48.36%
Total Grants to Homeowners	12,968,701	27,710,000	14,741,299	53.20%
Total Administrative and Grants to Homeowners	\$ 13,594,819	\$ 28,883,250	\$ 15,288,431	52.93%

¹ 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.

Governing Board Memorandum

November 19, 2024

Agenda Item 4: 2025 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 have prepared attachment A to assist the board in reviewing the proposed 2025 budget for the CRMP. This attachment compares the 2025 proposed budget to the 2024 actual expenses for the nine months ending September 30, 2024.

The decrease in the proposed 2025 budgeted expenditures compared to the 2024 approved budget is related to the expected decrease in incentive payments for the various grant programs. Due to the unpredictable nature of the processing of retrofit applications and the timing of the incentive approvals/payments, CRMP staff have reduced the expected 2025 incentive expenditures to align with historical activity and to account for the roll out of the FEMA 4407 ESS program and the new BRIC 2021 and BRIC 2022 programs. Grants to homeowners are \$12,968,701 for the nine months ending September 30, 2024. The proposed 2025 budget for grants to homeowners for all programs is \$16,100,000. Additional information regarding the breakout of the grants is listed in attachment A.

Total budgeted program revenue for 2025 is \$16,495,000. This revenue will primarily come from grants received from FEMA to cover consumer incentive payments made by CRMP. The grants are received on a reimbursement basis, and the projected revenue represents the projected consumer incentives that will be processed in fiscal year 2025 as well as a portion of reimbursable administrative expenses for the various FEMA programs. This revenue will be recognized monthly based on monthly incentives paid and reimbursable administrative expenses incurred and submitted.

In addition, there is no budgeted contribution to be received from CEA's Loss Mitigation Fund in 2025. In 2024, \$4 million in contributions were received from CEA's Loss Mitigation Fund to offset the moratorium on reimbursements from Cal OES/SCO related to budget constraints. If CRMP experiences an adverse cash flow situation during the course of 2025, CEA staff will recommend to CEA's Governing Board a fund transfer

from CEA's Loss Mitigation Fund to CRMP to fund CRMP EBB programs and support the cash flow needs.

The 2025 budget for CRMP administrative expenses is consistent with the projected 2024 spend.

Conclusion:

CRMP staff recommend approval of the 2025 CRMP Budget as presented.

**California Residential Mitigation Program
2025 Proposed Budget vs 2024 Actuals (as of September 30, 2024)**

	2025 Proposed Budget	2024 Actuals 9/30/2024	Difference	2024 Approved Budget
Revenue				
FEMA *	\$ 16,495,000	\$ 13,389,230	\$ 3,105,770	\$ 28,012,500
Contribution from Members	-	4,000,000	(4,000,000)	-
Total Revenue	\$ 16,495,000	\$ 17,389,230	\$ (894,230)	\$ 28,012,500
CRMP Administrative Expenses				
Administration & Office	\$ 4,100	\$ 16,000	\$ (11,900)	\$ 8,300
Board Services	2,000	670	1,330	2,800
Call Center	6,500	6,265	235	10,000
EBB Marketing/Program Education	550,000	247,057	302,943	550,000
Financial Audit	67,500	64,000	3,500	67,500
Home Inspection Services	250,000	137,760	112,240	280,000
Insurance	95,000	86,477	8,523	58,700
Legal Services	75,000	32,883	42,117	100,000
Software/IT Support	109,700	35,006	74,694	89,700
Travel	1,500	-	1,500	6,250
Total Administrative Expenses	1,161,300	626,118	535,182	1,173,250
Grants to Homeowners				
Grants to Homeowners - EBB	100,000	50,266	49,734	460,000
Grants to Homeowners - BRIC 2021	500,000	-	500,000	-
Grants to Homeowners - BRIC 2022	500,000	-	500,000	-
Grants to Homeowners - FEMA 4308	14,000,000	12,909,435	1,090,565	25,000,000
Grants to Homeowners - FEMA 4407 EBB	-	9,000	(9,000)	-
Grants to Homeowners - FEMA 4407 ESS	1,000,000	-	1,000,000	2,250,000
Total Grants to Homeowners	16,100,000	12,968,701	3,131,299	27,710,000
Total Administrative and Program Expenses	\$ 17,261,300	\$ 13,594,819	\$ 3,666,481	\$ 28,883,250

* 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 the FEMA programs. The FEMA revenue will be adjusted monthly to reflect the reimbursement.

CRMP Governing Board Memorandum

November 19, 2024

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 19, 2024

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

Recommended Action: No action required – information only

CRMP Retrofit Programs Overview:

As of October 19th, more than 27,846 residential seismic retrofits have been completed. This is an increase of 1,526 retrofits from the previous Governing Board meeting, 1,508 of which were completed under the various FEMA-funded HMGP programs.

Earthquake Retrofit Programs 10/19/2024 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	1,338	2	Open
CRMP 2019 EBB	622	2	Open
FEMA – funded HMGP DR 4308, 4344, & 4407	18,178	9,016	Open
Total	27,846	9,020	

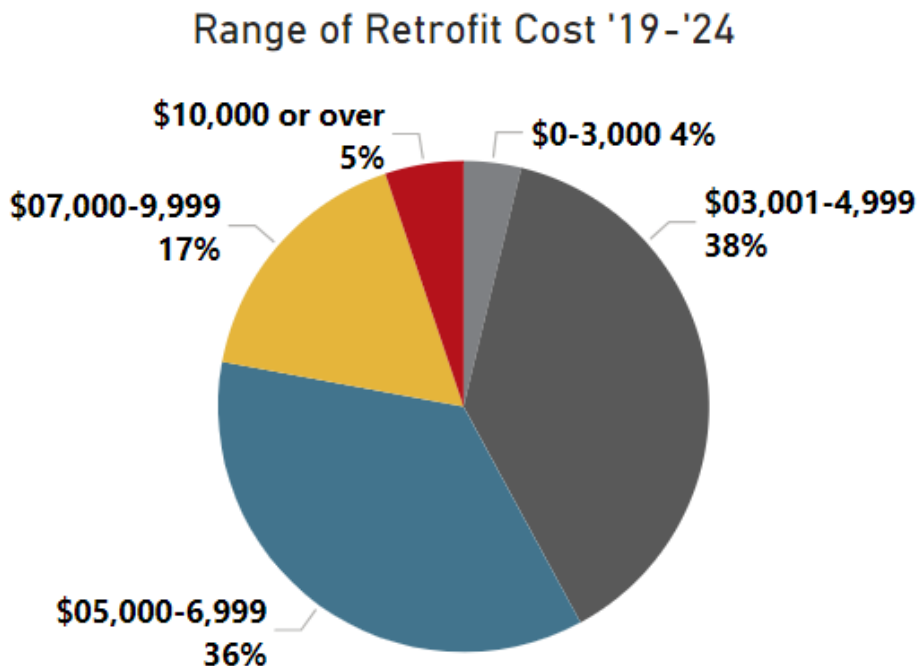
Earthquake Brace and Bolt (EBB):

2024 Program Cycle:

Registration for the 2024 EBB program opened on January 10, 2024, and closed on February 21, 2024. Approximately 21,000 homeowners successfully registered for the EBB program.

CRMP began acceptance of the first 2024 registrant group on April 15, 2024. 5,000 homeowners were accepted in the first group. CRMP will invite 3,500 additional homeowners every six weeks throughout the year until all registrants have been accepted into the program. We anticipate the last group will be accepted by December 1, 2024.

The cost of retrofits within specific ranges remained stable during this reporting period. For all retrofits completed, 78% cost \$6,999 or less, with the average remaining consistent at roughly \$6,195 statewide.



Earthquake Soft-Story (ESS):

In 2023, 530 homeowners registered for the ESS program. Of these, nine have successfully completed a retrofit and have been paid, with 61 more currently in process. Upon receipt of pre-retrofit documentation from homeowners, the additional properties will be submitted to FEMA for review and approval.

It is estimated that ~350 retrofits could be completed with the available funds from the FEMA grant. An additional registration period opened on October 15th to bring more homeowners into the program and utilize all available grant funds. By October 31st, 650 homeowners successfully registered for the ESS program.

CRMP began submitting ESS properties to FEMA in January 2024 and received batch one approval on July 1st. Batch two approval followed shortly thereafter, on July 12th. From the previous board meeting, two additional batches were approved, taking ten and 13 weeks. Though the first batch of properties took approximately five months to approve, CRMP and Cal OES anticipate that approvals will continue at this expedited pace, given the establishment of a review process by FEMA.

California Earthquake Authority Brace and Bolt (CEA BB):

The CEA BB program is not under the purview of the CRMP Board, however, the CEA staff who support CRMP programs also support CEA BB so there are overlapping priorities which impact staffing.

From the previous meeting, 13 homeowners have completed retrofits, with an additional 2 currently in progress.

Future Funding Opportunities:

CRMP currently has two Hazard Mitigation Grant Program (HMGP) applications in review:

- 2022-2023 Early Winter Storms: \$5M for the Earthquake Brace + Bolt (EBB) program – In FEMA Review
- Application submitted June 2024: \$5M for the Earthquake Brace + Bolt (EBB) program – In Cal OES Review

CRMP Governing Board Memorandum

November 19, 2024

Agenda Item 7: Proposed 2025 CRMP Governing Board Meeting Schedule

Recommended Action: Board approval needed

Background:

EBB Program Manager, Mark Grissom, will present to the Board the proposed 2025 CRMP Governing Board Meeting Schedule, for approval.

Recommendation:

Staff recommends the Board approve the proposed CRMP 2025 Governing Board meeting schedule.

CALIFORNIA RESIDENTIAL MITIGATION PROGRAM
PROPOSED 2025 GOVERNING BOARD MEETING DATES

MEETING DATE	LOCATION
FEBRUARY 11 1:00pm	CEA & Teams Meeting
MAY 20 1:00pm	CEA & Teams Meeting
AUGUST 26 1:00pm	CEA & Teams Meeting
NOVEMBER 18 1:00pm	CEA & Teams Meeting

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.