

# CRMP

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## California Residential Mitigation Program A Joint Powers Authority

**Date of Notice: Friday, January 31, 2025**

### 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, February 11, 2025**

**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:** 243 580 939 398

**Passcode:** V5EG26e5

**Direct Link:** [Join Meeting Now](#)

**Dial-in-Number:** +1 323-886-4439 United States, Los Angeles (Toll)  
Enter Conference ID Number: 784 785 766#

**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](mailto: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](mailto: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 November 19, 2024, CRMP Governing Board meeting.
3. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of December 31, 2024.
4. CRMP Executive Director Janiele Maffei will present Maura White for appointment as secretary of the CRMP, for board approval by resolution.
5. CRMP Executive Director Janiele Maffei will present her executive report.

6. CRMP Managing Director Stephanie Stephens will present the CRMP Mitigation update.
7. CRMP Executive Director Janiele Maffei will present the Earthquake Multi-Unit Retrofit (EMR) building selection process, for discussion.
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](mailto:mwhite@calquake.com)

**To view this notice on the CRMP website, please visit  
[www.californiarresidentialmitigationprogram.com/about-us/public-meetings](http://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](mailto: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](mailto:info@californiarresidentialmitigationprogram.com).**

## **CRMP Governing Board Memorandum**

February 11, 2025

Agenda Item 2:                      Consideration and Approval of Board Minutes

Recommended Action:            Review and approve Board minutes

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### **Background:**

Approval of Board minutes from November 19, 2024.

### **Recommendation:**

Staff recommends approval of the Board teleconference minutes from November 19, 2024.



**CALIFORNIA RESIDENTIAL  
MITIGATION PROGRAM**

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Draft Meeting Minutes  
are not available.

Please see CRMP Governing  
Board Meeting  
Approved Minutes.

## CRMP Governing Board Memorandum

February 11, 2025

Agenda Item 3:                    Treasurer's Financial Update

Recommended Action:        No action required – information only

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### **Background:**

CRMP Treasurer, Ben Kirwan, will review the CRMP financial statements as of December 31, 2024.

### **Recommendation:**

No action is necessary.

California Residential Mitigation Program  
(CRMP)

FINANCIAL  
REPORT

BOARD MEETING  
Tuesday, February 11, 2025

**California Residential Mitigation Program**  
**Balance Sheet**  
**As of December 31, 2024**  
**Unaudited**

**Assets**

Cash and cash equivalents	\$ 4,685,859
Accounts receivable	<u>10,790,873</u>
Total assets	<u><u>15,476,732</u></u>

**Liabilities and Fund Balance**

Liabilities:

Accounts payable and accrued expenses	<u>700,572</u>
Total liabilities	<u>700,572</u>

Fund Balance:

Unassigned	<u>14,776,160</u>
Total fund balance	<u>14,776,160</u>
Total liabilities and fund balance	<u><u>\$ 15,476,732</u></u>



**California Residential Mitigation Program**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2024**  
**Unaudited**

Revenues:

Contributions from members	\$	4,000,000
Contributions from other governments		19,712,105
		23,712,105
Total revenues		23,712,105

Expenditures:

Administration and office expenses		16,000
Audit fees		68,000
Board meeting expenses		1,475
Grants to homeowners		19,279,592
Inspection services		209,440
Insurance		86,477
Software and IT support		75,511
Legal services		47,780
Marketing services/program education		500,305
Call center		8,718
		20,293,298
Total expenditures		20,293,298

Net change in fund balance		3,418,807
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Fund balance, beginning of year		11,357,353
		11,357,353

Fund balance, end of year	\$	14,776,160
		14,776,160

**California Residential Mitigation Program  
Budgeted Expenditures and Actual Expenditures  
2024 Budget Year  
as of December 31, 2024**

	<b>2024 Actual Revenues and Expenditures</b>	<b>Approved 2024 Budget</b>	<b>Variance</b>	
			<b>\$</b>	<b>%</b>
<b>Revenue</b>				
FEMA <sup>1</sup>	\$ 19,712,105	\$ 28,012,500	\$ (8,300,395)	-29.63%
Contribution from Members	4,000,000	-	4,000,000	N/A
<b>Total Revenue</b>	<b>\$ 23,712,105</b>	<b>\$ 28,012,500</b>	<b>\$ (4,300,395)</b>	<b>-15.35%</b>
<b>CRMP Administration Expenses</b>				
Administration & Office	\$ 16,000	\$ 8,300	\$ (7,700)	-92.77%
Board Services	1,475	2,800	1,325	47.32%
Call Center	8,718	10,000	1,282	12.82%
EBB Marketing/Program Education	500,305	550,000	49,695	9.04%
Financial Audit	68,000	67,500	(500)	-0.74%
Home Inspection Services	209,440	280,000	70,560	25.20%
Insurance	86,477	58,700	(27,777)	-47.32%
Legal Services	47,780	100,000	52,220	52.22%
Software/IT Support	75,511	89,700	14,189	15.82%
Travel	-	6,250	6,250	100.00%
<b>Total Administration Expenses</b>	<b>1,013,706</b>	<b>1,173,250</b>	<b>159,544</b>	<b>13.60%</b>
<b>Grants to Homeowners</b>				
Grants to Homeowners - FEMA 4407 ESS	337,170	2,250,000	1,912,830	85.01%
Grants to Homeowners - FEMA 4407 EBB	9,000	-	(9,000)	N/A
Grants to Homeowners - CRMP EBB	47,266	460,000	412,734	89.72%
Grants to Homeowners - FEMA 4308	18,886,156	25,000,000	6,113,844	24.46%
<b>Total Grants to Homeowners</b>	<b>19,279,592</b>	<b>27,710,000</b>	<b>8,430,408</b>	<b>30.42%</b>
<b>Total Administrative and Grants to Homeowners</b>	<b>\$ 20,293,298</b>	<b>\$ 28,883,250</b>	<b>\$ 8,589,952</b>	<b>29.74%</b>

<sup>1</sup> 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**

February 11, 2025

Agenda Item 4: CRMP Secretary

Recommended Action: Approve staff recommendation by resolution

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### **Background:**

CRMP Executive Director Janiele Maffei will present Maura White for appointment as secretary of the CRMP, for board approval by resolution.

### **Recommendation:**

Approve staff recommendation by resolution.

## **CRMP Governing Board Memorandum**

February 11, 2025

Agenda Item 5: Executive Report by Executive Director Janiele Maffei

Recommended Action: No action required – information only

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### **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

February 11, 2025

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 January 11<sup>th</sup>, more than 29,234 residential seismic retrofits have been completed. This is an increase of 1,388 retrofits from the previous Governing Board meeting, 1,387 of which were completed under the various FEMA-funded HMGP programs.

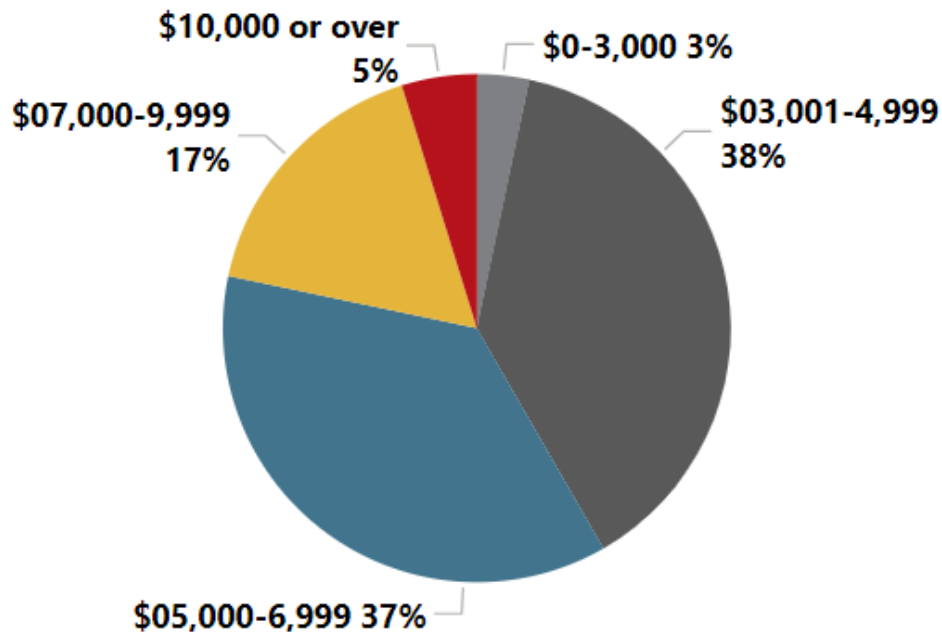
<b>Earthquake Retrofit Programs 1/11/2025 CRMP and CEA by Program Cycle</b>			
<b>Program</b>	<b>Completed</b>	<b>In Progress</b>	<b>Status</b>
2014-2018 EBB	7,598	N/A	Closed
FEMA Napa EBB	110	N/A	Closed
CEA BB	1,338	2	Open
CRMP 2019 EBB	623	4	Open
FEMA EBB – HMGP DR 4308, 4344, & 4407	19,536	6,577	Open
FEMA ESS – HMGP DR 4407	29	376	Open
<b>Total</b>	<b>29,234</b>	<b>6,959</b>	

### **Earthquake Brace and Bolt (EBB):**

Approximately 21,000 homeowners successfully registered for the EBB program during the 2024 registration period. CRMP began acceptance of the first registrant group on April 15, 2024, with 5,000 homeowners accepted into the program. As of December 2024, all remaining registrants were accepted into the program. CRMP was recently awarded a time extension through February 2027 for the HMGP DR4308 grant, in order to expend the remaining funds.

The cost of EBB 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 approximately \$6,153 statewide.

## Range of Retrofit Cost '20-'25



### **2025 Registration Launch & Campaign:**

The 2025 launch campaign was scheduled to begin January 10, 2024, to promote the availability of EBB grants to eligible California homeowners in 815 ZIP Codes through earned media, social media, and direct mail. However, given the devastating wildfires that have ravaged the Southern California area, CRMP has made the decision to postpone the campaign to begin February 12, 2025. Though campaign efforts have been postponed, registration opened successfully on January 15, 2025, with 6,238 registrants as of January 29<sup>th</sup>.

Once the campaign has begun, we will continue to seek to raise awareness, educate homeowners on the value of a seismic retrofit, and encourage Californians to apply for the program.

### **Earthquake Soft-Story (ESS):**

In 2023, 530 homeowners initially registered for the ESS pilot program. Of these, 29 have successfully completed a retrofit and have been paid, an increase of 20 from the previous board meeting. There are an additional 376 retrofits currently in-process. The previous registration to bring additional homeowners into the program opened October 15, 2024. Of those that have registered, 363 homeowners have been accepted into the program on December 10, 2024, to begin the pre-retrofit process.

It is estimated that ~350 retrofits could be completed with the available funds from the FEMA grant, though this number is an initial estimate that will change depending on the actual costs of these retrofits. As the program continues, more retrofits are paid and we receive more data, CRMP will provide an updated estimate of the potential number of retrofits available given the \$5M in funding.

### **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, 0 homeowners have completed retrofits, with an additional 2 currently in progress.

### **Future Funding Opportunities:**

- HMGP DR4683 submitted in 2023: \$5M for the Earthquake Brace + Bolt (EBB) program – Approved. CRMP was notified by Cal OES on January 15, 2025, that this application was approved. Phase 1 work will begin shortly, following a project kickoff meeting with the grant management team.
- Application submitted June 2024: \$5M for the Earthquake Brace + Bolt (EBB) program – In Cal OES Review.

### **Staff Efforts:**

- In 2024 we paid 5,880 grants to homeowners across all programs, more than any previous year. It was a 32% increase from 2023. For perspective, CRMP paid the first grant in January of 2014, and it was August 31, 2018, before CRMP reached 5,880 grants paid total.
- Our call center handled 28,118 inbound calls in 2024, more than any previous year and a 19% increase from 2023.

### **Other Items of Interest:**

- The CRMP Business Plan is to be updated and presented for review and approval at the May 27, 2025, board meeting.

## CRMP Governing Board Memorandum

February 11, 2025

Agenda Item 7: CRMP Building Selection Process for EMR

Recommended Action: No action required – information only

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### **Introduction:**

CRMP Executive Director Janiele Maffei will present the draft Earthquake Multi-Unit Retrofit (EMR) program building selection process for board comments and questions.

### **Background:**

In addition to submitting FEMA Hazard Mitigation Grant Program, HMGP, applications for the EBB and ESS programs, CRMP has applied for FEMA Building Resilient Infrastructure and Communities (BRIC) grants to start an EMR program every year from 2020 through 2023. In early 2024 CRMP was notified that it had been awarded Phase One funding from the 2021 and 2022 BRIC programs. The total BRIC Phase One funding is just over \$7.4 million.

The CRMP EMR program will be offered in cities that have mandatory ordinances, MO, for multi-unit soft-story seismic retrofit in place. These cities include, but are not limited to:

- Alameda
- Berkeley
- Oakland
- Los Angeles
- Pasadena
- San Francisco
- San Jose
- Santa Monica
- West Hollywood

Some of these cities adopted their mandatory ordinances years ago and, therefore, have a small inventory of non-compliant buildings left to be retrofitted. However, most cities with these ordinances prioritized buildings based on number of stories and units with larger buildings being of highest priority. Larger buildings typically were given a start date that began shortly after the ordinance was enacted. Smaller buildings were given a later start date. Therefore, even in cities with longstanding ordinances, inventories of smaller buildings may work well for EMR which is limited to buildings with 5-10 units.



### **Building Selection Process:**

CRMP has successfully managed the Earthquake Brace + Bolt, EBB, program since 2013. One of the original EBB developments that proved very effective was the ZIP Code selection process. In order to balance applications with available funding, EBB started with 4 ZIP Codes in areas of very high seismicity and added ZIP Codes with each registration period based on new funding. The ZIP Code selection process ranked ZIPs in California based on the simple equation that risk equals hazard plus vulnerability plus exposure. Hazard was identified using publicly available seismic risk maps developed by the California Geological Survey, CGS. Vulnerability was identified using census data for the number of pre-1940 houses in a ZIP Code. Age can be used as a proxy for vulnerability as it corresponds to the building code in effect at the time of construction. In the CRMP risk equation, exposure includes all houses in California with the EBB vulnerability. Hazard and vulnerability were weighted 50-50 and the list of over 2700 ZIP Codes allowed EBB to focus retrofit funding in areas of California with the highest seismic hazard and largest number of vulnerable homes. EBB is now in over 1,000 ZIP Codes in areas of high seismic risk.

Using the lessons learned in EBB it is obvious that a transparent, fair, and reasonable building selection process is also required for EMR. To accomplish this, EMR will use the same risk equation as that used for EBB, Risk equals hazard plus vulnerability plus exposure. Therefore, the highest risk for multi-unit soft-story buildings is as follows:

Hazard:

EMR will operate only in cities with mandatory ordinances. These ordinances are being adopted in areas of highest seismicity within California.

Vulnerability:

EMR is intended to address the dangerous seismic vulnerability of multi-unit building with a soft-story condition. Cities with mandatory ordinances are addressing this same vulnerability so the EMR program will open in MO cities.

Exposure:

The BRIC grant program requires applications to include prioritization of socially vulnerable populations. FEMA defines social vulnerability as “the susceptibility of social groups to the adverse impacts of natural hazards, including disproportionate death, injury, loss, or disruption of livelihood.” With hazard and vulnerability covered by the choice of cities with mandatory ordinances, the remaining priority is low-income tenants. To that effect, CRMP has developed the following building selection prioritization process.

**Building selection prioritization process:**

The CRMP BRIC application stated that EMR will provide preference to “census tracts with a moderate to high SVI and with at least 50% of tenants meeting the HUD low-income threshold.” EMR will use ZIP Codes in lieu of census tracts as ZIPs are easier for building owners to identify. Utilizing publicly available Social Vulnerability Index, SVI, maps, CRMP will create lists of ZIP Codes in qualified cities with median household incomes equal to or less than the HUD definition of low-income for a household of 3 people. The 3-person household was selected because that is the average number of people per household in California. By using the median household income, the requirement that 50% of tenants meet the income threshold will be satisfied.

CRMP reviewed the possibility of requiring building owners to submit approved documents indicating how many tenants were receiving HUD rental assistance. However, this process was deemed to be time consuming and might impede the ability of a building owner to satisfy the strict time schedule required for compliance with their mandatory ordinance.

With ZIP Codes in qualifying cities prioritized based on household income, CRMP will use a random selection process to number the ZIP Codes in the priority, low-income list and in the list of ZIP with household incomes above the HUD limit. Qualifying building owners who apply for the program will be admitted based on their position on the lists starting with the priority low-income list. Buildings on the lists will be accepted based on available funding.

**Recommendation:**

No action necessary.