

CRMP

California Residential Mitigation Program

A Joint Powers Authority

Date of Notice: Friday, July 6, 2018

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: **Governor’s Office of Emergency Services
3650 Schriever Avenue
MPR 2
Mather, California 95655**

DATE: Monday, July 16, 2018

TIME: 10:00am

AGENDA:

1. Call to order and member roll call:

Mitch Ziemer – Chair, Insurance and Claim Director, CEA
Grace Koch, Chief Deputy Director, Cal OES
Christina Curry – Vice Chair, Deputy Director, California Office of Emergency Services
Dan Dyce – Consultant, CEA

Establishment of a quorum

2. CRMP Managing Director Annde Ewertsen will present a recommended Earthquake Brace + Bolt updated budget to provide additional funds from the CEA Earthquake Loss Mitigation Fund to the California Residential Mitigation Program to fund additional retrofit grants, for approval.
3. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.

4. Adjournment.

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

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

Please contact Jacqueline Ball by telephone at (916) 661-5607 or by email at jball@calquake.com. We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.

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

CRMP Governing Board Memorandum

July 16, 2018

Agenda Item 2: Recommended updated budget to provide additional funds from the CEA Earthquake Loss Mitigation Fund to the California Residential Mitigation Program to fund additional retrofit grants

Recommended Action: Approve recommended updated budget

Background:

CRMP operates the highly successful Earthquake Brace + Bolt program (EBB), which provides grants of up to \$3,000 to California homeowners whose houses are in areas of higher seismic risk to assist in paying for a code-based seismic retrofit.

CEA staff periodically asks that funds be transferred from the CEA Earthquake Loss Mitigation Fund to the CRMP—those funds constitute a primary means of funding and operating CRMP mitigation programs.

To date, the following transfers have been made by the CEA to the CRMP, all to support, and fund grants awarded by, the EBB program:

- December 2010 \$500,000 (initial funding)
- May 2013 \$1,000,000 (to complete EBB pilot program and begin expansion)
- December 2014 \$3,000,000 (to expand EBB in 2015)
- June 2016 \$1,000,000 (to expand EBB in 2016)
- March 2017 \$5,400,000 (to expand EBB in 2017)
- March 2018 \$5,600,000 (to expand EBB in 2018)

Analysis:

In November 2017, the CRMP Governing Board approved the 2018 budget, which included \$6 million for grants to homeowners. At the March, 2018 CEA Governing Board meeting, this funding request was made and included funds to complete 400 retrofits that had been started but remained incomplete as of December 31, 2017, and to support 1,600 additional retrofits in 2018.

Interest in the EBB program has grown over the years, with a record 7,500 applicants registering in 2018. To ensure as many Californians as possible complete retrofits before the next damaging earthquake, CRMP is requesting all Wait-listed applicants be accepted into the program.

- As of July 5, CRMP anticipates that approximately 2,600 retrofits will be completed in 2018 (approximately 371 from the 2017 program and 2,200 from 2018 program).
 - More applicants are completing retrofits than in previous program years and are completing them sooner:
 - In early-November 2016 and mid-September 2017, 1,000 retrofits had been completed and paid by the program.
 - CRMP anticipates 1,000 retrofits will be completed and paid by mid-July 2018—four months and two months sooner than in 2016 and 2017, respectively.
- The 2016 and 2017 programs had completion rates of 36% and 38%, respectively. CRMP anticipates a completion rate between 40-44% for the 2018 program.
- In 2016 and 2017, all applicants on the wait list were brought into the program.
- For the 2018 program, approximately 2,500 applicants remain on the wait list. CRMP needs additional funding to accept all remaining householders on the wait list into the program.

CRMP anticipates 500 wait-listed applicants would complete retrofits by December 31, 2018. In addition, approximately 600 more applicants than anticipated will complete retrofits in 2018.

In order that CRMP fund the additional retrofit grants and to allow the wait-listed applicants to participate in the program, CRMP will require additional funding from the CEA Earthquake Loss Mitigation Fund in the amount of \$3.3 million. *Attachment A* is the proposed, updated budget.

By continuing agreement with Cal OES, the CEA remains, as between those two entities, the sole funder of CRMP.

Recommendation:

Staff recommends the Governing Board approve the updated budget and request the transfer of funds from the CEA Earthquake Loss Mitigation Fund in the amount of \$3.3 million, to fund additional retrofit grants and expand the CRMP EBB program in 2018, as fully described in this memorandum.

California Residential Mitigation Program
Proposed Augmentation - August CRMP Board Meeting
2018 Budget Year

	<u>Approved 2018 Budget 1/1/2018</u>	<u>Adjustments</u>	<u>Augmentations</u>	<u>2018 Budget after Augmentations and Adjustments</u>
Revenue				
Contribution from Members	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-
CRMP Administration Expenses				
Travel	32,000			32,000
Professional Dues and Memberships	800			800
Board Services	2,300			2,300
Administration & Office	79,050			79,050
Insurance	38,000			38,000
Financial Audit	50,000			50,000
Legal Services	100,000			100,000
Total Administration Expenses	302,150	-	-	302,150
EBB Program Expenses				
Software/Information Technology	25,250			25,250
Call Center	120,000			120,000
Home Inspection Services	95,000			95,000
EBB Marketing	325,000			325,000
EBB Program Education	75,000			75,000
Grants to Homeowners (2,000 payments at \$3,000)	6,000,000		3,300,000	9,300,000
Total EBB Program Expenses	6,640,250	-	3,300,000	9,940,250
Total Administrative and Program Expenses	\$ 6,942,400	\$ -	\$ 3,300,000	\$ 10,242,400