

As approved by the Governing Board on Tuesday, May 27, 2025.

**CALIFORNIA EARTHQUAKE AUTHORITY
CALIFORNIA RESIDENTIAL MITIGATION PROGRAM
GOVERNING BOARD TELECONFERENCE MEETING
MINUTES**

**February 11, 2025
1:00 p.m.**

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

Members of the California Residential Mitigation Program (CRMP) Governing Board in

Attendance:

Lori Nezhura, Chair
George Sittner, Vice Chair
Tracy Palombo
Eric Swanson

Members of the CRMP Staff in Attendance:

Janiele Maffei, Executive Director
Mark Grissom, Program Manager
Benjamin Kirwan, Treasurer
Seth Merewitz, Counsel
Stephanie Stephens, Managing Director
Suman Tatapudy, Secretary
Maura White, Mitigation and Research Administrative Lead

1. Call to order and member roll call.

Chair Nezhura called the meeting to order at 1:00 p.m. A quorum was achieved.

2. Consideration and approval of the minutes of the November 19, 2024, CRMP Governing Board meeting.

MOTION: Vice Chair Sittner moved to approve the November 19, 2024, minutes of the California Residential Mitigation Program Governing Board. Ms. Palombo seconded. There was no public comment on the motion. The motion passed unanimously by roll call vote.

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

Mr. Kirwan reviewed the CRMP financial information as of December 31, 2024:

Balance Sheet:

- Assets
 - The Cash and Cash Equivalents Line Item is approximately \$4.7 million.
 - CRMP total assets are approximately \$15 million.
- Liabilities and Fund Balance
 - The Accounts Payable and Accrued Expenses liability Line Item of approximately \$700,000 is mainly made up of outstanding retrofit payments that have been approved but not yet paid. These were paid after year-end.
 - This Line Item is also made up of small amounts of general and administrative operating expenses.
 - The current total fund balance is approximately \$14.8 million.
 - The total liabilities and fund balance is approximately \$15.5 million.

Statement of Revenues, Expenditures, and Changes in Fund Balance:

- Revenues
 - Contributions of \$4 million were received from the CEA.
 - Contributions from other governments of \$19.7 million is the total amount of reimbursed retrofit payments both received and outstanding at the end of the year.
- Expenditures
 - The largest expenditures were grants to homeowners of \$19.3 million, inspection services of \$209,000, and marketing services/program education of \$500,000.
 - Total revenues were \$23.7 million, total expenditures were \$20.3 million for a positive net change in fund balance of \$3.4 million for the year.
 - The fund balance at the end of the year was \$14.7 million.

Budgeted Expenditures and Actual Expenditures:

- Revenue
 - \$28 million was budgeted but only \$24 million was spent. The \$4.3 million difference was related to not completing as many retrofits for the FEMA 4308 program and significant delays in the FEMA 4407 ESS Program. It is anticipated that those programs will catch up in 2025.
- CRMP Administration Expenses
 - Administration and Office - the bulk of the difference between budgeted and actual amounts was due to fraudulent checks received in 2024. CRMP is working to move away from paper checks to electronic fund transfers through the Automated Clearing House (ACH) program.

- Total Administrative Expenses was under budget by \$160,000.
- Grants to Homeowners
 - Total Grants to Homeowners was under budget by \$8.5 million at \$19.3 million.

Discussion

Chair Nezhura asked if the fraudulent check issue is resolved.

Mr. Kirwan stated the check issue is resolved and the ACH program is currently being set up.

Chair Nezhura asked why the Federal Emergency Management Agency (FEMA) 4308 program had a slow rollout in 2024.

Ms. Maffei stated it was because of a lack of sufficient staffing.

Ms. Stephens stated they may not have completed the retrofits by the end of 2024 and did not get paid out until now.

Mr. Kirwan agreed. He stated that the 2024 budget was too optimistic in the projections for retrofit completions for 2024. The 2025 budget projections will be more realistic.

Public Comment

There was no public comment.

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

MOTION: Chair Nezhura moved to adopt the resolution to appoint Maura White, Mitigation and Research Administrative Lead, as secretary of the California Residential Mitigation Program as written. Vice Chair Sittner seconded. There was no public comment on the motion. The motion passed unanimously by roll call vote.

5. CRMP Executive Director Janiele Maffei will present her executive report.

Ms. Maffei welcomed new Managing Director Stephanie Stephens and asked her to introduce herself.

Ms. Maffei updated the Governing Board on the CRMP and CEA mitigation interests and projects:

Earthquake Brace + Bolt (EBB) and CEA Brace + Bolt (CEA BB) Retrofits to Date

- Retrofits strengthen four vulnerabilities as identified in the Applied Technology Council (ATC) 110 Research Project: cripple wall (mitigated by the EBB Program), living-space-over-garage (mitigated by the Earthquake Soft-Story (ESS) Program), hillside house, and chimney.
- Over 29,000 retrofits have been completed to date.
- Supplementary Grants for income-eligible homeowners have been included in this year's registration period. This grant provides 100 percent of the funds needed to help strengthen houses in disadvantaged communities.

- Over 2,000 Supplemental Grants have been paid.
- The media campaign for the EBB program opens tomorrow, February 12, 2025.

Single-Family Earthquake Soft-Story (ESS) Program

- Registration for the Single-Family ESS Program to mitigate the living-space-over-garage vulnerability re-opened in October of 2024 to address this pervasive and dangerous problem.
- Over 600 homeowners have registered to date.

Earthquake Multi-Unit Retrofit (EMR) Grant Program

- Planned opening later this year.

Ms. Maffei stated the CRMP has put out a Request for Information (RFI) for a residential retrofit program grant management system with a submission deadline of March 17, 2025.

There were no questions from Governing Board Members and no public comment.

6. CRMP Managing Director Stephanie Stephens will present the CRMP Mitigation (Earthquake Brace + Bolt) update.

Ms. Stephens provided an overview of the retrofits completed and noted that 1,388 have been completed since the last Board meeting. She reviewed the Hazard Mitigation Grant Program (HMGP) funding updates, EBB program cycle and registration, ESS registration, and staff efforts. She noted that the CRMP business plan was last revised last February. Staff will present an updated business plan at the next Board meeting for review and approval.

Discussion

Vice Chair Sittner asked about the average cost for ESS.

Mark Grissom, Program Manager, stated the average cost has been \$20,244, \$13,000 of which is reimbursed.

Chair Nezhura asked if the CRMP partners with jurisdictions with mandatory or voluntary programs on advertising costs and if they post retrofit information on their websites for ESS.

Ms. Stephens stated, for EMR, staff plans to focus efforts on building departments and county and city officials in cities with mandatory ordinances, since they already have inventory lists available.

Ms. Maffei stated including ESS in those jurisdictions is a good idea.

Board members asked clarifying questions.

Public Comment

There was no public comment.

7. Earthquake Multi-Unit Retrofit (EMR) building selection process, for discussion.

Ms. Maffei provided an overview of the EMR building selection process. She stated a \$7.4 million Building Resilient Infrastructure and Communities (BRIC) grant has been awarded to the CRMP for phase one, which covers program development including the building selection process. These grants prioritize low-income tenants in cities with mandatory ordinances in buildings with five to ten units. Counties that have cities with a mandatory multi-unit soft-story retrofit ordinance include Alameda, San Francisco, Santa Clara and Los Angeles.

Ms. Maffei stated she plans to meet with the building department official and a mandatory ordinance program representative in the qualified cities to learn the number of qualified buildings in each city that have not yet been retrofitted.

Discussion

Chair Nezhura suggested looking at each city's average number of family members per household so no population is disadvantaged if the number is higher than the three-person household average.

Vice Chair Sittner asked about the estimated cost per building.

Ms. Maffei stated approximately \$140,000 per building in the Bay Area. Southern California is expected to be less. This question will be included in the meetings with each city's officials.

Chair Nezhura asked if insurance costs go down for retrofitted buildings.

Ms. Maffei stated she talked to commercial insurance companies to ensure that the design criteria meets the insurance hazard reduction discount criteria. The insurance company she asked was not interested in insuring these buildings, whether they are retrofitted or not.

Vice Chair Sittner stated insurance company criteria varies. He asked when the first EMR retrofit can be expected.

Ms. Maffei stated sometime in 2026.

Ms. Stephens state federal FEMA funding cannot be duplicated. Staff will ask where each city's grants they are providing come from. She noted that, if the grant comes from the city, the building owner can take advantage of both grants.

Public Comment

There was no public comment.

8. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.

There were no questions or comments from the public.

9. Adjournment.

There being no further business, the meeting was adjourned at 1:20 p.m.