



**EARTHQUAKE
MULTI-UNIT**
Funds to Strengthen Residential Structures™

Earthquake Multi-Unit Retrofit Program: Rules for Participation

**Minimizing earthquake damage
with multi-unit residential structures**



About EMR

The Earthquake Multi-Unit Retrofit Program (“EMR Program,” “EMR,” or “Program”) was developed to help lessen the potential for loss of life, physical injury, and structural damage during an earthquake. Program funding is limited to seismic retrofits of multi-unit residential structures with a minimum of five units and no more than ten units consisting of wood-frame construction and built prior to January 1, 1991. Additionally, eligible structures must have a soft, weak, or open front (SWOF) seismic deficiency such as tuck-under parking or open space on the ground floor and must be located in an EMR-eligible city in California.

The EMR Program is funded by Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance (HMA) grants. The California Governor’s Office of Emergency Services (Cal OES) is the administrator of HMA Programs and is the “grantee” of HMA funds in California. The California Residential Mitigation Program (CRMP) is a “sub-grantee” of HMA funds to implement and deliver programs to increase seismic mitigation measures in high-risk areas throughout the State.

EMR Program benefits are made possible by funding from the CRMP (the “CRMP” is a joint powers authority established under California Government Code Section 6500, et seq., whose members are the California Earthquake Authority, a public instrumentality of the State of California, and the Cal OES, an agency of the State of California) and FEMA.

A seismic retrofit strengthens older multi-unit buildings with soft, weak, or open ground floors, making them more resistant to earthquake activity such as ground shaking and soil failure. Seismic retrofitting funded by this program must be performed in accordance with the Seismic Design Criteria outlined in these rules.

The cost of a retrofit varies widely depending on the location and size of the structure, contractor and engineering fees, and the materials and work involved. Building owners must use design professionals and contractors in good standing with the California Contractors State License Board (CSLB) to design and perform the retrofit work.

DISCLAIMER:

- 1. No guarantee of damage prevention or elimination.** An earthquake or natural disaster can occur at any time. The California Residential Mitigation Program (CRMP) and others provide monetary grants to assist qualified building owners in securing structural home improvements in an effort to reduce (**but not eliminate**) damage or collapse in the event of an earthquake.
- 2. The Earthquake Multi-Unit Retrofit (EMR) Program is described on the CRMP website (www.CRMP.org), which is the only official source of information about EMR.** The information on the CRMP website is intended solely as general educational information regarding the potential benefits of earthquake safety, and that none of the information may or should be construed as a guarantee of the efficacy of any particular seismic retrofit or service provider. Anyone who accesses information on the CRMP website acknowledges and accepts that neither CRMP nor its members—California Earthquake Authority (CEA) and California Governor’s Office of Emergency Services (Cal OES)—are offering technical earthquake or seismic engineering advice with regard to any specific structure.

- 3. FEMA Phase Two Approval.** Only engineering and construction work done following the formal EMR FEMA Phase Two award date qualifies for an incentive payment. Please consult the CRMP website for updates. **Retrofit construction work started (whether or not completed), before this approval will make the project wholly ineligible for an EMR incentive payment. DO NOT START WORK BEFORE FEMA AND CRMP APPROVAL.**
- 4. EMR IS FEDERALLY FUNDED AND FEDERAL GRANTS PRESENT RISK OF PROGRAM MODIFICATION AND LOSS OF FUNDING.**
- 5. CRMP IS NOT RESPONSIBLE OR LIABLE FOR CHANGES IN FEMA OR OTHER FEDERAL FUNDING SOURCES OR RULE CHANGES OR TIMING CHANGES THAT MAY REVISE, REDUCE, OR ELIMINATE FEDERAL FUNDING AVAILABLE FOR THIS PROGRAM.**
- 6. Americans with Disabilities Act Accommodations.** The Americans with Disabilities Act (ADA) prohibits discrimination on the basis of disability just as other civil rights laws prohibit discrimination on the basis of race, color, sex, national origin, age, and religion. Consistent with the ADA and California laws, it is the policy of CRMP to provide reasonable accommodation when requested by a qualified applicant with a disability.

Persons who need assistance in order to participate in this Program should contact us via email at info@crmp.org. Please contact us no later than 30 calendar days prior to any deadline.

- 7. Incentive payments in the FEMA-funded EMR program are generally not subject to federal or state taxation.** However, each Participating Building Owner is encouraged to seek appropriate professional advice on the federal and state tax implications of their receiving the EMR incentive payment and whether the incentive payment will affect eligibility, income thresholds, or limitations, or other issues relating to any healthcare or other programs of interest to the Participating Building Owner.
- 8. Ownership and Authorization.** CRMP is aware that buildings may be owned by more than one person. CRMP does not undertake, and is not responsible for confirming that a building is owned solely by the person applying to EMR or owned with others, or whether the person applying to EMR is authorized to perform or authorize the performance of seismic retrofit work on the building. It is the sole responsibility of each Participating Building Owner to make sure that any and all co-owners have been notified of, and agree to the performance of, the seismic retrofit in connection with the EMR Program.
- 9. CRMP provides the Contractor Directory and Design Professional Directory on its website only as an informational resource for Participating Building Owners.** The listing of any contractor or design professional in either Directory or on CRMP's website does not constitute CRMP's or EMR's endorsement, approval, or recommendation of any contractor or design professional. Further, the information presented on CRMP's website is provided "as is" without representation or warranty of any kind—as to suitability, reliability, accuracy, applicability, fitness, result, outcome, or any other matter. CRMP and its members shall not have any liability for any disputes with the contractor or design professional selected by a Participating Building Owner.

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Introduction

These Program Rules (“Rules” or “Program Rules”) govern the implementation operations of the EMR Program and are binding on all participants that receive or may receive, or have applied to receive funds through the EMR Program, including building owners, contractors, and licensed design professionals. All definitions stated in these Rules apply to these Rules, to EMR Program documents, and to content on the CRMP website.

These Rules may be amended at any time, and amended Rules become effective on the date posted on the CRMP website (www.CRMP.org).

By participating in this Program, building owners and applicants must acknowledge and agree:

- (a) To comply with, and agree to be bound by, all Program Rules set forth herein;
- (b) To affirm and ratify that all statements, representations, information, and records submitted to CRMP are true, correct, and complete in all material respects;
- (c) That participation in the EMR Program or use of EMR funds will not constitute a breach of or default under any law, ordinance, resolution, agreement, or other instrument to which the participant is a party or by which it or any of its properties are bound; and
- (d) To comply with all applicable laws.

Section 1 – Building Owners and EMR Program

1.1 Official Source of EMR Program Information

The EMR Program is described on the CRMP website, which is the only official source of information about EMR (www.CRMP.org).

1.2 Locations Where EMR is Offered

The CRMP website lists the cities in which EMR is currently offered. Buildings located in areas not listed on the CRMP website are not eligible for EMR participation.

EMR is offered in specific cities that have adopted mandatory multi-unit soft-story retrofit ordinances. These cities are all located in areas of high seismicity within California.

1.3 Incentive Payments

EMR offers an incentive payment of:

- 70% of engineering and permit fees, up to \$7,000, for pre-retrofit engineering consultant fees for the preparation of calculations and construction documents. Only engineering work done following the formal EMR FEMA Phase Two award date qualifies for an incentive payment; and
- 70% of the retrofit cost, up to \$4,260 per unit, for a seismic retrofit done in accordance with the requirements of these Program Rules.

Incentive payments will be made after project completion provided the Participating Building Owner has satisfied all of the following:

- (a) is an Eligible Applicant (see Section 1.7);
- (b) has been accepted for participation in EMR;
- (c) has received FEMA approval to proceed;
- (d) completes a qualifying seismic retrofit in accordance with the Program Rules;
- (e) sends to the EMR Program all documentation required by these Rules (see Sections 1.12, 1.14, and 1.15), within the required timeline;
- (f) has not accepted any funding from another Federal source for the scope of work being proposed under the EMR program;
- (g) no construction has started prior to the approval date set forth in Section 1.6; engineering costs incurred prior to the Section 1.6 approval date will not be reimbursed; and
- (h) abides by all EMR Program Rules.

The cost of a qualifying seismic retrofit may exceed the EMR incentive payment—any and all costs associated with a qualifying seismic retrofit that are greater than the EMR incentive payment are the sole responsibility of the Participating Building Owner.

An EMR Program incentive payment is a grant of funds, not a loan, and does not have to be repaid. All payments must be used for purposes consistent with these Rules.

1.4 Qualifying Seismic Retrofit

Only seismic retrofits performed in accordance with one of the seismic design criteria standards listed below qualify for an EMR Program incentive payment. Note that these requirements may exceed the requirements of the local soft-story mandatory ordinance adopted by the local jurisdiction.

The EMR Program requires that the entire first (i.e., ground) story be considered and addressed utilizing one of the three approved seismic design criteria standards outlined below.

1.4.1 The Structural Retrofit of the Subject Building Shall Comply with the Latest Edition of One of the Following Standards:

1. **FEMA P807:** The entire first story must be analyzed and designed per this standard. “Seismic Evaluation and Retrofit of Multi-Unit Wood-Frame Buildings with Weak First Stories,” (FEMA P-807, May 2012), with an evaluation objective as interpreted by the Building Official. It is recommended that the seismic performance criteria be taken as not less than 20% POE at 0.5SMS. (Recommendation E). Where FEMA P-807 criteria are taken as greater than 20% POE at 0.5SMS, it is recommended that the need to also retrofit the second floor be evaluated (Recommendation E). IEBC and ASCE 41 retrofits are also acceptable, see below. Special systems such as SMF are required by P807 retrofits.
2. **IEBC Chapter A4 (Latest edition):** The entire first story must be analyzed and designed per this standard. Chapter A4 of the California Existing Building Code, as interpreted by the Building Official.
3. **ASCE 41 (Latest edition):** The entire first story must be analyzed and designed per this standard. The latest edition of “Seismic Evaluation and Retrofit of Existing Buildings”, Standard ASCE/SEI 41, with a performance objective of Structural Life Safety with the Basic Safety Earthquake-1E (“BSE-1E”) hazard or Structural Collapse Prevention with the Basic Safety Earthquake-2E (“BSE-2E”) hazard, as interpreted by the Building Official.

1.5 Historic Buildings

The Hazard Mitigation Assistance (HMA) grants from the Federal Emergency Management Agency (FEMA) require compliance with federal laws and regulations, including the National Historic Preservation Act (NHPA).

For Subject Buildings qualified as historic, alternate building regulations of the California Historical Building Code (California Code of Regulations, Title 24, Part 8) are allowed, as interpreted by the Building Official.

These Rules take no position on any provisions that may or may not be required by the local jurisdiction regarding the California Existing Building Code, the California Green Building Code, or other code sections that apply to historic buildings.

1.6 No Retrofit Work to Start Before FEMA and CRMP Approval

- (a) Engineering costs incurred prior to the FEMA Phase Two award date will not be reimbursed; and
- (b) EMR retrofit construction work must not start before CRMP approves the submitted pre-retrofit documents and photos. **Retrofit construction work started (whether or not completed), before the CRMP approval will make the project ineligible for an EMR incentive payment.**

1.7 Eligible Applicants

“Eligible Applicant” for purposes of the EMR Program means a building owner who registers for the program, answers the EMR-qualification questions, and who:

- (a) provides a notice and order received from a city showing the ownership and legal owner of record;
- (b) has a valid email address or has access to a valid email address from which they can send and receive email messages. CRMP’s grant portal is web-based and requires participants to communicate via their Property Owner Dashboard and email; and
- (c) agrees that if the building is in a Special Flood Hazard Area (SFHA) as defined by FEMA, they will:
 - 1. submit a signed, notarized, and recorded Acknowledgement of Conditions for Mitigation of Property in a Special Flood Hazard Area with FEMA Grant Funds form attesting that they will adhere to the FEMA requirements before any EMR incentive payment will be paid; and
 - 2. provide a copy of their current flood insurance policy to CRMP.
- (d) attests under Penalty of Perjury confirming all of the following:
 - 1. that the building is owned solely by the person applying to EMR or owned with others;
 - 2. that the person applying to EMR is authorized to approve the performance of seismic-retrofit work on the building—if the building is owned by more than one party and that the signatory has the authority to apply for and receive EMR Program incentive payments on behalf of the entity or trust; for properties owned by a business entity or trust, a signature from an appointed representative or trustee is required;
 - 3. that the person applying to EMR has notified any and all co-owners, and that all co-owners agree to the application and performance of, the seismic retrofit in connection with the EMR Program;
 - 4. that Participating Building Owner only applies for ten (10) or less buildings in California that are eligible for the Program; and
 - 5. that no actual retrofit construction work has begun before the applicant receives approval from CRMP for retrofit work to proceed.

- (e) does not obtain permits and engineering calculations for the building prior to the FEMA Phase Two award date. Permits and engineering calculations and construction documents obtained prior to the FEMA Phase Two award date will not be eligible for reimbursement with EMR incentive payments, but do not disqualify you from participation in the EMR Program.

1.7.1 Building Held by Individual(s)

If the Qualifying Building is owned by an individual, the individual must satisfy the following requirements to participate in the EMR Program:

- (a) provide evidence that they are an owner of the Qualifying Building; and
- (b) register for the EMR Program using their legal name.

1.7.2 Building Held in Trust

If the Qualifying Building is owned by or otherwise held in a trust, the named trustee must satisfy the following requirements to participate in the EMR Program:

- (a) provide evidence that they are a trustee of the trust that owns the Qualifying Building; and
- (b) register for the EMR Program using their legal (trustee) name.

1.7.3 Building Owned by Limited Liability Company (“LLC”)

If the Qualifying Building is owned by an LLC, one of the named members must satisfy the following requirements to participate in the EMR Program:

- (a) provide evidence that they are a member of the LLC that owns the Qualifying Building;
- (b) register for the EMR Program using their legal (LLC) name; and
- (c) provide evidence they are legally authorized to apply for and receive grant funds on behalf of the business.

1.7.4 Building Owned by a Corporation or Holding Company of a Corporation

If the Qualifying Building is owned by a corporation or a holding company of a corporation, they must satisfy the following requirements to participate in the EMR Program:

- (a) provide evidence that the corporation owns the Qualifying Building;
- (b) register for the EMR Program using the legal corporation’s name; and
- (c) provide evidence they are legally authorized to apply for and receive grant funds on behalf of the corporation.

1.8 Qualification for EMR

1.8.1 Qualifications for Location Only buildings located in areas listed on the EMR webpage on the CRMP website are eligible for EMR participation.

1.8.2 Qualifications for Buildings EMR Program incentive payments are limited to Qualifying Buildings. “Qualifying Building” for purposes of the EMR Program means a building that satisfies all the following requirements:

- (a) located in an EMR Program eligible city, as listed on the CRMP website;

- (b) structure address is listed on a city’s inventory of soft-story buildings mandating retrofit of the structure;
- (c) building owner has received a notice and order to retrofit the building in accordance with the local mandatory multi-unit soft-story retrofit ordinance;
- (d) consists of wood-frame construction;
- (e) has a Soft, Weak, or Open Front (SWOF) seismic vulnerability of the ground story;
- (f) contains a minimum of five units and no more than ten units;
- (g) was constructed before January 1, 1991; and
- (h) has not had a Qualifying Seismic Retrofit (as defined in Section 1.4) that has been started or completed prior to the date of acceptance into the EMR Program (other than Line-Only Retrofit) and in compliance with Section 1.6.

Exception: Buildings that have a Line-Only Retrofit that introduced new bracing only at the open-front wall line qualify for EMR if:

- the building meets all the other requirements for EMR Eligible Applicants and Qualifying Buildings;
- the Line-Only Retrofit was completed in order to meet the requirements of a local mandatory soft-story ordinance; and
- a building permit from their local building official for the Line-Only Retrofit received final sign-off from the city.

Note: New work on buildings with completed Line-Only Retrofit may not begin before CRMP provides approval for construction to commence, pursuant to FEMA policies.

1.9 Registering for EMR

During the open registration period identified on the CRMP website, the building owner must complete their EMR Program registration on the CRMP website by the published deadline.

No incomplete, early, or late registrations will be considered.

By answering the EMR qualification questions on the CRMP website, the building owner can determine whether the building is a Qualifying Building (see Section 1.8.2) and that the person registering and answering the EMR qualification questions is an Eligible Applicant (see Section 1.7).

If the applicant and building are eligible, the applicant will be permitted to complete registration, add contact information, and authorize CRMP to send text alerts when important email communications are sent.

Successfully registering for the EMR Program does not guarantee acceptance into the program.

CRMP determines, in its sole discretion, the number of buildings for which a Participating Building Owner can receive incentive payments under the EMR program.

1.10 EMR Prioritization of Buildings with Tenants that Meet the HUD Low-Income Threshold

1.10.1 Priority List and General List:

Once the EMR registration period has closed, all Qualifying Buildings will be placed on one of two lists. List placement is based solely on the location of the building and not on the income of the individual tenants.

Buildings located in Zip Codes where the median household income in that area is equal to or less than the HUD low-income level for households of 3 persons or less will be placed on a “Priority List.” All other buildings will be placed on the “General List.”

- (a) Buildings on the “Priority List” will be sorted using a random selection process and given a priority number.
- (b) Buildings on the “General List” will be sorted using a random selection process and given a number.

1.10.2 Notification of priority Acceptance into the Program:

- (a) Eligible Applicants will be accepted into the Program starting with the first building on the Priority List and then in order from that list. Once the Priority List is exhausted, Eligible Applicants will be accepted from the General List starting from the number one building on the list and then in order. All accepted Eligible Applicants will be given the same amount of time to complete the retrofit work regardless of when they are accepted into the program.
- (b) CRMP will communicate by email with all building owners who have applied for the Program as Eligible Applicants with Qualifying Buildings, regardless of whether they have been selected as a Participating Building Owner or whether they have been placed on a wait list for possible EMR Program participation.
- (c) Acceptance into the EMR Program is not approval to move forward with construction work.
- (d) To remain eligible for the EMR incentive payment, retrofit construction work must not begin before the Participating Building Owner receives approval from CRMP for retrofit work to proceed and that all CRMP and FEMA approvals have been secured.
- (e) Participating Building Owners should visit www.CRMP.org within 30-days following the notification date of being accepted into the EMR Program and log in with their user credentials set up during registration. Each Participating Building Owner will have an online “Property Owner Dashboard,” which must be used to upload all required documentation and photographs.

Note: Acceptance into the EMR program is not approval to move forward with construction work. CRMP shall have no liability for any construction work performed prior to notification to proceed from CRMP.

1.11 Required Documentation for EMR Incentive Payment

Using the Property Owner Dashboard, Participating Building Owners must submit all documents described in Sections 1.12-1.15 to CRMP, within the required timeline to qualify for the incentive payment.

A Participating Building Owner may authorize their licensed contractor to submit retrofit documentation on behalf of the Participating Building Owner by following the instructions on the Property Owner Dashboard.

1.12 Before the Retrofit Begins

Within 120 days after receiving the Program acceptance email from CRMP, all Participating Building Owners must do all of the following, using their online Property Owner Dashboard:

- (a) Identify the design professional who will be designing the seismic retrofit.
- (b) Identify the contractor who will do the seismic retrofit. The contractor must be a California licensed general contractor with a type A or B license and must be listed in the EMR Contractor Directory (each an “EMR Participating Contractor”)—retrofit projects performed by any contractor who is not an EMR Participating Contractor from the EMR Contractor Directory will not qualify for the incentive payment.
- (c) Upload copies of at least two bids from EMR Participating Contractors.
- (d) Using the Property Owner Dashboard, **upload a qualifying building permit.** Building permits are obtained from the local building inspection department (actual names of these departments vary). The building permit must be solely for the seismic retrofit work and any work required by the local building department. The building permit must include the following information:
 - Building owner
 - Design professional
 - Contractor
 - Scope of work indicating which seismic design criteria was used as set forth in Section 1.4
- (e) Upload FINAL approved construction documents prepared by the design professional (engineering calculations and construction documents). These must be stamped by the local building department as “approved.”
- (f) Take and upload the required photographs (post-retrofit photos will be required at the same location as the pre-retrofit photos):
 1. Four (4) photos that show the four exterior corners of the building and as much of the exterior of the building as possible.
 2. Photo(s) showing the location where new steel frames will be installed along the open side of the building at the ground floor, at least two and not more than four.

3. Interior photos of the soft-story floor (typically the ground floor), at least two and not more than six. These must include photos of the interior corners where two walls that will be sheathed with plywood intersect.

- (g) Upload a copy of the city Notice and Order, identifying the building owner.
- (h) Review local County Assessor's or State Board of Equalization's website regarding any pre-construction requirements concerning the seismic retrofitting construction exclusion from assessment provided by section 74.5 of the California Revenue and Taxation Code.

To remain eligible for the EMR grant, retrofit construction work must not begin before the Participating Building Owner receives approval for retrofit work to proceed from CRMP.

Note: Acceptance into the EMR program is not approval to move forward with construction work.

1.13 FEMA Review

After all required pre-retrofit documents and photos are uploaded and reviewed by CRMP, they will be forwarded to FEMA for an environmental and historic preservation review required by Federal and State laws. Upon completion and approval of the FEMA review, CRMP will inform the Participating Building Owner when the retrofit work may begin.

No actual construction work can be completed prior to notification to proceed from CRMP. Work completed prior to CRMP notification to proceed will result in a withdrawal from the Program and the building becoming ineligible for the incentive payment.

The seismic retrofit must be completed within nine (9) months after receiving notification of approval to proceed with their retrofit from CRMP, or to the end of the FEMA-issued grant Period of Performance (POP), whichever is less.

1.14 During Construction

In order to receive the incentive payment, the entire retrofit project must be completed (with a signed permit finalizing the construction by the city) before the EMR grant deadline. To ensure that the project is on track to meet the grant deadline, the owner (or the contractor with the owner's permission) must provide periodic status updates to CRMP during construction. The Participating Building Owner must upload, to the Property Owner Dashboard, copies of the project inspection checklist signed off at the following major stages of construction (when applicable):

- (a) Foundation
- (b) Steel frame installation
- (c) Plywood sheathing installation and nailing
- (d) Final inspection

The CRMP review of the submittal does not constitute approval of the work or guarantee that the project is on schedule. It is the building owner's responsibility to inform the contractor of the EMR grant schedule and the EMR program if there have been any significant construction delays that might affect the construction schedule.

1.15 After the Retrofit is Complete

Within 30 days after completion of the retrofit, the following items must be submitted to CRMP using the online Property Owner Dashboard:

(a) Signed Building Permit

1. A copy of the building permit signed by the building inspector after final inspection indicating that the work has been completed in accordance with the requirements of the mandatory ordinance and the scope of work indicated on the permit.

(b) Photos of the completed work

1. Provide date-stamped photos taken in the ground floor space from the same locations as the "Pre-Retrofit" photos and showing the new plywood sheathing, any retrofit work at the interior, and any steel frames installed along the open ground floor wall. Photos must clearly depict the completed retrofit work. Photos must be taken **before** any finishes are applied to either plywood or steel structural members.

(c) An electronically completed and approved Payment Authorization Form stating to whom the EMR payment will be sent.

(d) A final invoice(s) and receipt(s) (not the contractor's initial bid or proposal) for retrofit-related expenses must be submitted by a Participating Contractor and include:

1. date submitted to Participating Building Owner;
2. Participating Contractor contact information, including Participating Contractor's California license number;
3. start and end dates of retrofit construction work performed;
4. a brief description of the work completed (e.g., seismic retrofit of multi-unit soft-story building to meet the requirements of the EMR program);
5. cost of labor per hour and number of hours worked;
6. cost and types of materials used;
7. amount of overhead and profit;
8. if the work is being performed as Design-Build, services of a Licensed Design Professional must be included;
9. a statement of whether the invoice has been partially or fully paid and indicate whether the payment will be sent to the Building Owner or contractor; and

10. the invoice must clearly separate EMR-specific retrofit work from any other construction completed at the property address. Removal or disposal of previous retrofit work is not an expense reimbursable by EMR.

Incentive payments will not be provided if a contractor used by a Participating Building Owner is not in good standing with the Contractor's State License Board, appears on the state or federal debarment list, or is not listed on the EMR Contractor Directory.

1.16 Additional Conditions Regarding Documentation

- (a) The Participating Building Owner must confirm that they have reviewed, and are fully responsible for, the accuracy of all documentation submitted to CRMP, including documentation submitted by a licensed Participating Contractor on behalf of the Participating Building Owner.
- (b) CRMP will reject incomplete documentation and will make reasonable efforts to promptly advise the Participating Building Owner to complete and re-submit the required documentation.
- (c) Failure to submit any completed required documentation to CRMP may render the Participating Building Owner ineligible for an EMR incentive payment.
- (d) The Executive Director or Managing Director of CRMP, in their sole discretion, may waive any requirements or extend any time limits stated in these Rules.

1.17 Retrofit Inspections

As a condition of payment approval, or for quality-assurance purposes, EMR reserves the right to inspect, upon reasonable notice to the Participating Building Owner, the seismic retrofit work performed on any Participating Building.

1.18 Payment and Tax Reporting

Incentive payments typically will be mailed within four (4) weeks following final approval of eligibility compliance by CRMP.

Each Participating Building Owner is encouraged to seek appropriate professional advice on the federal and state tax implications of receiving the EMR incentive payment and whether the incentive payment will affect eligibility, income thresholds or limitations, or other issues relating to any healthcare or other programs of interest to the Participating Building Owner.

1.19 Program Communications

EMR communications will be delivered to Participating Building Owners by email. CRMP is not (a) responsible or liable for any email communications that are missed, scrubbed, or filtered by anyone's computer system or email functions, or (b) responsible or liable for any communications that are missed, lost, damaged, misdirected, or otherwise not delivered or received through use of the U.S. Postal Service. CRMP has no obligation to provide other forms of communication.

Section 2 – Participating Contractors and Licensed Design Professionals

Licensed Design Professionals are civil or structural engineers, or architects licensed in the State of California. Contact your local building department for any further requirements regarding the structural design of the retrofit.

Participating Contractors and Licensed Design Professionals hired by Participating Building Owners are not selected by, approved by, governed by, or in any way the responsibility of CRMP or either of its members—CEA and Cal OES.

The appearance of any Participating Contractor or Licensed Design Professional in the Contractor Directory or Licensed Design Professional Directory on the CRMP website is not an endorsement, approval, or recommendation.

EMR, CRMP, and CRMP’s members hereby disclaim any and all obligation to maintain, keep current, or monitor the Contractor Directory or Licensed Design Professional Directory or to monitor the licensing, financial condition, contracts, or competence of any Participating Contractor listed on the Contractor Directory or Licensed Design Professional Directory or any Licensed Design Professional hired by a Participating Building Owner.

2.1 Contractor Directory

The Contractor Directory on the CRMP website is a list of California Licensed General Building Contractors (License Type A or B) in good standing that:

- (a) have one or more employees, workers, or other associated personnel who have successfully completed the EMR mandatory orientation and quiz offered on the CRMP website;
- (b) register on the CRMP website as a “Participating Contractor” and maintain an online CRMP account via the CRMP “Contractor Dashboard”;
- (c) affirm on the Contractor Dashboard that the contractor is a California licensed general contractor with a license type A or B that is in good standing in a field reasonably related to residential retrofit work on dwellings in California;
- (d) confirm, acknowledge, and agree that neither CRMP, CEA, nor Cal OES will have any liability or responsibility for any work bid on or performed by the contractor; and
- (e) affirm by signifying on the Contractor Dashboard, that the contractor is not currently barred by the State of California or the federal government from bidding on, accepting, or performing any State of California or federal government-funded public works contracts, either as a contractor or subcontractor.

2.2 To remain listed in the Contractor Directory, a Participating Contractor must:

- (a) comply with all applicable EMR Program Rules and requirements;
- (b) perform all EMR retrofits in accordance with the Program Rules and ensure that any employee, worker, or other associated person who has taken and successfully completed the FEMA mandatory orientation and quiz offered on the EMR website, oversees and approves all EMR retrofit work performed by the Participating Contractor;

- (c) provide Participating Building Owners with invoices that clearly and separately show charges for materials, taxes, labor, overhead and profit, and lists the start and end dates the retrofit work was done (see Section 1.8.2 (d)) for additional requirements;
- (d) ensure that each and every building permit for EMR retrofits is solely for the seismic retrofit work and does not include other work on the premises and includes the required references to the construction documents prepared by a design professional;
- (e) provide in the Contractor Dashboard, upon CRMP's request, evidence of:
 - a current California contractor's license; and,
 - a current Contractor Bond or Bond of Qualifying Individual, or both, that meets the statutory requirement, and retain evidence of current workers' compensation insurance for all employees;
- (f) not be barred by the State of California or the federal government from bidding on, accepting, or performing any State of California or federal-government-funded public works contracts, either as a contractor or subcontractor;
- (g) demonstrate a commitment to work within the local jurisdiction's building construction permitting and inspection processes; and
- (h) provide good workmanship, reasonable pricing, follow all Rules of the EMR program; and
- (i) maintain accurate website and marketing materials consistent with CRMP and EMR written standards, policies, and the CRMP website.

Incentive payments will not be provided if a Participating Contractor is not in good standing with the Contractor's State License Board and/or on the state or federal debarment list.

2.3 Licensed Design Professionals (e.g., engineers, architects) must:

- (a) ensure all submissions (e.g., plans, design, letters) completed for an EMR retrofit are in accordance with the requirements of the local mandatory soft-story ordinance and the EMR Program Rules;
- (b) ensure that the EMR Seismic Design Criteria SDC Form is completed, stamped, and signed and is provided to the Building Owner or Participating Contractor affirming the retrofit plans are in accordance with the Program Rules; and
- (c) maintain an active California license.

2.4 To remain listed in the Directory, a Licensed Design Professional must:

- (a) comply with all applicable EMR Program Rules and requirements;
- (b) not be barred by the State of California or the federal government from bidding on, accepting, or performing any State of California or federal-government-funded public works contracts, either as a contractor or subcontractor;
- (c) maintain an active license;
- (d) provide good workmanship, reasonable pricing, and in good faith, follow all Rules of the EMR program, as applicable; and
- (e) maintain accurate website and marketing materials consistent with CRMP and EMR written standards, policies, and the CRMP website.

2.5 Removal of Participating Contractor from “Contractor Directory” or Licensed Design Professional from “Design Professional Directory”

- (a) In its sole discretion, CRMP may remove a Participating Contractor or Licensed Design Professional from their respective directory in the event CRMP determines that the Participating Contractor or Licensed Design Professional has failed to comply with EMR Program Rules, including but not limited to the eligibility requirements set forth in this Section 2.
- (b) In its sole discretion, CRMP may remove a Participating Contractor or Licensed Design Professional who is using CRMP’s trademark or CRMP’s phrase “Earthquake Multi-Unit Retrofit” or any mark or phrase that is, in CRMP’s sole opinion and discretion, reasonably similar to CRMP’s registered marks in any manner that implies that the Participating Contractor or Licensed Design Professional is affiliated with CRMP in any manner beyond its status as a Participating Contractor or Licensed Design Professional.
- (c) Any Participating Contractor or Licensed Design Professional that completes work not in accordance with one of the required seismic design standards may be removed from their respective directory.

2.6 Advertising

Participating Contractors are permitted to use wording in their marketing and sales materials that describe their successful completion of the EMR mandatory orientation and quiz on the CRMP website. In no instance and under no circumstances may a Participating Contractor use language indicating “approval,” “endorsement,” “qualified,” or “referred” by CRMP in marketing or sales materials.

Section 3 – Dispute Resolution

By applying to participate, or participating, in the EMR Program, building owners, Eligible Applicants, Participating Building Owners, Participating Contractors, contractors and Licensed Design Professionals agree to resolve any dispute or controversy with, or claim against, CRMP or EMR according to the Terms of Use posted on the CRMP website.

3.1 Informal Procedure

In the event a controversy or claim arises out of the use of the CRMP website or participation in EMR, a building owner, Eligible Applicant, Participating Building Owner, Participating Contractor, contractor or Licensed Design Professional may contact CRMP and discuss the matter informally with the Managing Director or a designee. If the controversy or claim is not resolved during such informal discussions, any party who still feels aggrieved may send a letter to the Managing Director.

The Managing Director or a designee will attempt to meet virtually with the parties within 10 business days of receipt of the letter or such longer period as may be mutually acceptable.

The Managing Director will provide his or her written decision concerning the claim or controversy within 20 days of the conclusion of the meeting. Such decision shall be final.

Building owners, Eligible Applicants, Participating Building Owners, Participating Contractors, contractors and Licensed Design Professionals are not required to follow this informal dispute-resolution procedure, and following this informal dispute resolution procedure does not prevent them from initiating the arbitration procedure described in Section 3.2.

3.2 Mandatory Arbitration

By using the CRMP website or by participating in any way in the EMR Program, building owners, Eligible Applicants, Participating Building Owners, Participating Contractors, contractors and Licensed Design Professionals agree that any claim or controversy arising out of their use of the CRMP website or participating in EMR—that is not settled or resolved by use of the Informal Procedure in Subsection 3.1—must be settled exclusively by arbitration administered by the American Arbitration Association in accordance with its Home Construction Arbitration Rules and Mediation Procedures, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

By participating in the EMR Program, building owners, Eligible Applicants, Participating Building Owners, Participating Contractors, contractors and Licensed Design Professionals, and each of them, acknowledge that:

- (a) each is giving up the right to sue in court, including the right to trial by jury, except as provided by the rules of the American Arbitration Association;

- (b) arbitration awards are generally final and binding, and the ability to have a court reverse or modify an arbitration award is limited;
- (c) the ability to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings;
- (d) the arbitrators do not have to explain the reasons for their decision; and
- (e) the rules of the American Arbitration Association may impose time limits for bringing a claim in arbitration.

The prevailing party to the arbitration, as determined by the arbitrator, shall be entitled to reimbursement from the non-prevailing party of the costs of the arbitration, including any American Arbitration Association administration fee, the arbitrator's fee and costs for the use of facilities during the hearings, and reasonable attorney's fees.

Section 4 – Personal Information, Privacy Policy, and Terms of Use

- (a) The information that EMR and CRMP collects, maintains, and uses includes, but is not limited to:
 - personal information about building owners, Eligible Applicants, Participating Building Owners, Participating Contractors, contractors (and their employees and subcontractors), and Licensed Design Professionals;
 - applications for building permits and building permits;
 - documentation of costs and materials associated with the seismic retrofit;
 - information about buildings belonging to building owners, Eligible Applicants, and Participating Building Owners; and
 - photographs of buildings and of the seismic retrofit work.
- (b) Any building owner, Eligible Applicant, Participating Building Owner, Participating Contractor, contractor or Licensed Design Professional who does not agree that the information described in Section 4 may be collected, maintained, and used for the purposes described in the Privacy Policy and Terms of Use referred to in Subsections (c) and (d) may not become or remain an EMR Participating Building Owner, Participating Contractor, contractor, or Licensed Design Professional.
- (c) The Privacy Policy posted on the CRMP website pertains to the information described in Subsection 4(a); that Policy is part and is incorporated into these Rules by this reference. The Privacy Policy may be amended at any time, and any amendment becomes effective when posted on the CRMP website.

- (d) The Terms of Use posted on the CRMP website www.CRMP.org/terms-of-use pertains to the information described in Section 4; that Policy is part of and is incorporated into these Rules by this reference. The Terms of Use may be amended at any time, and any amendment becomes effective when posted on the CRMP website.
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Section 5 – Contact Information

Please contact CRMP if you have questions.

California Residential Mitigation Program
400 Capitol Mall, Suite 1200, Sacramento, CA 95814
Toll free: (877) 232-4300

For general questions about EMR visit the CRMP website at: www.CRMP.org

Section 6 – Code of Conduct

CRMP Code of Conduct Policy

We are committed to providing all CRMP participants with a positive and professional experience. This Code of Conduct outlines the expectations for respectful interactions between our participants and CRMP staff.

Mutual Respect and Courtesy

- CRMP staff strive to treat all CRMP participants with respect and courtesy and expect the same in return.
- Respect and courtesy include using professional language and avoiding insults, threats, or discriminatory language.
- If a disagreement arises, we encourage a calm and respectful dialogue.
- CRMP representatives are trained to de-escalate situations and find solutions.

Effective Communication

- CRMP staff encourage clear and constructive communication to ensure we understand CRMP participant needs, and work to provide a positive experience.
- If you have a concern or complaint, please raise it in a professional manner to allow for a productive resolution.

Unacceptable Behavior

- Physical or verbal threats, harassment, intimidation, or coercion towards CRMP staff will not be tolerated. This includes offensive or abusive language, shouting, or swearing.

Consequences

CRMP reserves the right to disconnect calls or end online interactions in cases of unacceptable behavior with the following approach:

1. Any calls which are disconnected will be followed up by a notification in writing, via email, and a warning.
2. Any second instance of unacceptable behavior will be followed up by a notification in writing, via email, and future communications will only be by email and not through the call center.
3. CRMP reserves the right to remove any CRMP participant from CRMP programs due to repetitive violations of this Code of Conduct.

Section 7– Risk of Loss of Federal Funding

THE EMR PROGRAM IS FEDERALLY FUNDED AND FEDERAL GRANTS PRESENT RISK OF PROGRAM MODIFICATION AND LOSS OF FUNDING AT ANY TIME. SELECTION FOR PARTICIPATION IN THE EMR PROGRAM IS NO GUARANTEE THAT EMR PROGRAM FUNDS ARE AVAILABLE OR THAT INCENTIVE PAYMENTS WILL BE ISSUED.

CRMP IS NOT RESPONSIBLE OR LIABLE FOR CHANGE IN FEMA OR OTHER FEDERAL FUNDING SOURCES OR RULE CHANGES OR TIMING CHANGES THAT MAY REVISE, REDUCE OR ELIMINATE FEDERAL FUNDING AVAILABLE FOR THIS PROGRAM. CRMP AND ITS MEMBERS SHALL HAVE NO LIABILITY TO PARTICIPATING BUILDING OWNERS FOR A FAILURE TO ISSUE INCENTIVE PAYMENTS IN THE EVENT OF FEDERAL PROGRAM MODIFICATION OR LOSS OF FUNDING.

Section 8 – Indemnification Provisions

To the fullest extent permitted by law, the Participating Building Owner agrees to defend, indemnify, and hold harmless the CRMP, its members Cal OES and the California Earthquake Authority, and all of their employees, officers, and agents (collectively, “Indemnified Persons”) from and against any and all losses, costs, damages, expenses, judgments, and liabilities of whatever nature including, but not limited to, attorneys’, accountants’ and other professionals’ fees and expenses, litigation and court costs and expenses, amounts paid in settlement and amounts paid to discharge judgments and amounts payable by an Indemnified Person in any way relating to or arising out of:

- (a) the actual or alleged failure of the Participating Building Owner to comply with the terms of this EMR Program or with any other requirement or condition set forth in the EMR Program Rules;

- (b) the operation or undertaking of each retrofit project funded by the EMR Program;
- (c) death or injury to any person; and
- (d) damage to or destruction of any property arising out of or in any way related to a retrofit project funded by the EMR Program;

Notwithstanding the foregoing, no indemnification shall be required of an Indemnified Person to the extent such losses are determined by the final judgment of a court of competent jurisdiction to be the result of the gross negligence or willful misconduct of such Indemnified Person. For the avoidance of doubt, the scope of this indemnification includes, but is not limited to, any and all costs arising from third-party claims relating to the EMR Program, including but not limited to claims brought by Licensed Design Professionals and Participating Contractors.

The provisions of this Section 8 shall survive the end of the EMR Program, and the obligations of the Participating Building Owner hereunder shall apply to losses or claims whether asserted prior to or after the end of the EMR Program. In the event of a failure by the Participating Building Owner to observe the covenants, conditions and agreements contained in this Section, any Indemnified Person may take any action at law or in equity to collect amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Participating Building Owner under this Section 8. The obligations of the Participating Building Owner under this Section 8 shall not be affected by any assignment or other transfer by the CRMP of its rights or interests under the EMR Program Rules and will continue to inure to the benefit of the Indemnified Persons after any such transfer. The provisions of this Section 8 shall be cumulative with and in addition to any other agreement by the Participating Building Owner to indemnify any Indemnified Person.

Section 9 – Recoupment of Costs

Participating Building Owner acknowledges that they are each individually responsible for compliance with these Program Rules, and all state and federal laws and regulations applicable to the EMR Program and the retrofit project. Breach of these Program Rules and/or failure to comply with such laws or regulations may result in all or a portion of the EMR Program incentive payments becoming subject to recoupment by CRMP. If an EMR Program incentive payment is subject to recoupment, CRMP will notify the Participating Building Owner in writing and the Participating Building Owner shall promptly, and in any event within thirty (30) days of receiving such notice, return all funds disbursed by CRMP. In addition, Participating Building Owner shall be responsible for, and hereby agrees to promptly pay or reimburse the CRMP for all costs incurred by the CRMP, its employees, officers and agents (including without limitation, attorneys' fees) related to or arising out of such recoupment, including without limitation costs of any related investigation, audit and/or collection efforts.

A Project of the



CALIFORNIA RESIDENTIAL MITIGATION PROGRAM®

www.CRMP.org

Supporting Seismic Retrofit Programs in California



A Joint Powers Authority of the California Earthquake Authority and
the California Governor's Office of Emergency Services

