

*As approved by the CRMP Governing Board on May 15, 2018.*

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

**Tuesday, January 30, 2018  
1:00 p.m.**

Location: Governor's Office of Emergency Services (Cal OES)  
3650 Schriever Avenue, MPR1  
Mather, California

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

Mitch Ziemer, Chair, Insurance Director, California Earthquake Authority (CEA)  
Christina Curry, Vice Chair, Deputy Director, Cal OES  
Dan Dyce, Consultant, CEA  
Grace Koch, Chief Deputy Director, Cal OES

Members of the CRMP Staff in attendance:

Janiele Maffei, Executive Director  
Annde Ewertsen, Managing Director, CRMP  
Seth Merewitz, CRMP Counsel  
Anthony Tassone  
Jacqueline Ball  
D'Anne Ousley

Also Present:

Trudy Miller  
No members of the public addressed the Board.

**1. Call to order and member roll call.**

Mr. Ziemer called the meeting to order at 1:15 p.m. A quorum was achieved.

**2. Consideration and approval of the minutes of the November 14, 2017, CRMP Governing Board Meeting.**

Ms. Curry stated the word "preventions" should be "provisions" or "procedures" in the third paragraph on page 6.

**MOTION:** Ms. Curry moved approval of the November 14, 2017, California Residential Mitigation Program Governing Board Meeting Minutes as corrected. Mr. Dyce seconded. Motion carried unanimously.

### **3. CRMP Executive Director Janiele Maffei will present her executive report.**

Janiele Maffei, CRMP Executive Director, introduced Annde Ewertsen, the new Managing Director of the CRMP. Board members welcomed her to the team.

Ms. Maffei stated the 2018 EBB rolled out last week. She provided an overview, with a slide presentation, of the 2018 EBB launch press coverage, EBB launch speakers, Northern California marketing agency footage, and EBB launch statistics. Ms. Maffei stated EBB registrations have exceeded the 2017 response.

Ms. Maffei updated the Board on the CEA's mitigation projects:

#### Guideline Development

- ATC 110 Prestandard – the project is on schedule to be completed in the summer of 2018 and rolled out in 2019. Additional prescriptive retrofit plans are being developed for up to a 7-foot cripple wall to be incorporated into the EBB program as soon as possible.

Mr. Dyce stated the idea is that an engineer is not required when following this. Ms. Maffei agreed and stated a homeowner or contractor can do the work themselves because the plans are pre-engineered.

Ms. Curry asked if these homes are within the target age group. Ms. Maffei stated individuals preselect. Knowing that it is a pre-engineered solution and costs more, they may pull themselves out. It is more of an issue in Northern California.

Mr. Ziemer asked if Ms. Maffei was suggesting that the ATC 110 cripple wall piece would be available ahead of the rest of it. Ms. Maffei stated it was clear from the process that it is ahead of the other two. The other two - living space over a garage house and hillside house - will be done at the same time.

- Ms. Maffei stated there are houses that the prescriptive plans will not work for and will require an engineer. She pointed out areas of vulnerability of sample homes on the presentation slides. Staff applied for a FEMA Hazard Mitigation Grant Program (HMGP) funding to do a pilot earthquake soft-story (ESS) program for unique houses. This grant is not the average \$5,000 grant but is more in the \$10,000 to \$20,000 range.

Ms. Curry asked if an earthquake threat to a hillside house is a risk to other threats like landslide issues. Ms. Maffei agreed that there may be soil issues under the house, but what is addressed is on a vulnerability-by-vulnerability basis. The completed methodology will include vocabulary and photo examples for engineers to talk to homeowners about their issues.

Ms. Curry also requested CRMP bring the house model to the next meeting as an exhibit.

#### Research

- The Pacific Earthquake Engineering Research Institute (PEER) Cripple Wall House Mitigation Project – the project is now looking into how much the homeowner saves by retrofitting a house by testing systems that were not properly tested before so that when the house is modeled the best available science was used. Ms. Maffei showed a photo sample of a recent test to better understand the performance, better understand the damage, and give meaningful retrofit discounts. Currently the discount is 20 percent but the hope is to increase that percentage.

Ms. Koch asked when it is scheduled for completion. Ms. Maffei stated the three-year project is just under one third of the way through.

### Education

- QuakeGrade – this product was developed by CEA but utilizes FEMA P-50 as its guidance/standards. It is a simplified assessment tool that can be used by home inspectors at point of sale to inform the buyer of known vulnerabilities in the house. The app rates the house; the score can be changed by implementing mitigation measures. QuakeGrade is backed by the California Real Estate Inspectors Association (CREIA). This year CREIA will take over the training program, create a certification, and include a list on their website of trained home inspectors.
- End-to-End Mitigation – staff is creating experiential learning tabs on the CEA website that answer basic questions about possible geological hazards, structural vulnerabilities, retrofit mitigation information, how to find a professional, and finance options.

### CEA Annual Research Forum

The CEA Annual Research Forum will be held at the Sacramento Convention Center on February 22<sup>nd</sup> and 23<sup>rd</sup>. The theme is low-tech houses in a high-tech world.

#### **4. CRMP Treasurer Tim Richison will present a financial update.**

Anthony Tassone updated the Board for Tim Richison, who was unable to be in attendance. Mr. Tassone provided an overview, with a slide presentation, of the CRMP financial information as of November 30, 2017.

Ms. Curry asked about the figures that are in the Used of Budget column of the Napa EBB Project Budget Expenditures chart. Mr. Tassone stated initially on the project budget the costs were listed in the CEA Matching Website Expenses, but later it was determined that the cost primarily came from staff time. That is why the website and staff time line items are greater than what was budgeted.

Ms. Maffei asked about the budget for grants. Mr. Tassone referred to the Budgeted Expenditures and Actual Expenditures for the 2017 Budget Year on page 12 in the meeting packet, and stated the Grants to Homeowners line item lists the carryover plus the new ones. It is difficult to determine how many individuals will not complete their retrofit by the end of the year so that figure is an estimate.

#### **5. CRMP Managing Director Annde Ewertsen will present an Earthquake Brace + Bolt update.**

Annde Ewertsen, CRMP Managing Director, summarized the information provided in the staff memo on the HMGP opportunities, which was included in the meeting packet.

Ms. Koch asked about the amount of the HMGP funding for Northern California, Southern California, and statewide. Ms. Ewertsen stated they were each \$5 million.

Ms. Curry asked if the funding would be stretched over multiple years. Ms. Ewertsen stated it is a three-year performance period.

### Earthquake Brace + Bolt Programs

Ms. Ewertsen provided an overview, with a slide presentation, of the Earthquake Brace + Bolt Programs.

- The 2018 program is in the midst of the registration period.

- The 2017 program will close in July of this year and is expected to hit the goal.
- The 2016 program will soon be closing; the last homeowner is submitting the final documentation.
- Five applicants for the Napa Brace + Bolt program plan to complete their retrofits by September 11<sup>th</sup>.
- The CEA Brace + Bolt program is open indefinitely. Later this year, staff will reach out again to those homeowners.

Ms. Maffei clarified that the CEA Brace + Bolt is different. The goal of 3,400 includes everyone in the ten ZIP codes who are identified as having this vulnerability. It looks bad that only 78 completed retrofits, but 2.3 percent is close to the effective rate of when the CEA goes into a community and notices individuals with direct mail. It is not a bad completion rate, but it was expected that CEA homeowners would be more proactive. Staff is looking at other ways to reach out to homeowners to encourage retrofits.

Ms. Curry asked how many policyholders have received the discount because of this program. Homeowners could have applied for the regular program. Ms. Ewertsen stated she will get that information to Board members.

Mr. Ziemer asked which group was targeted in the recent mailing. Ms. Ewertsen stated it targeted CEA policyholders notifying them about the 2018 program.

Ms. Koch asked what percentage drops out of the initial application. Ms. Ewertsen stated approximately 68 percent drop out. Ms. Maffei stated 5,700 applications were received last year and 2,000 completed the retrofit.

- Ms. Ewertsen continued the slide presentation and discussed the number of contractors who completed the FEMA training, the number of retrofits they completed, and the number and cost of retrofits completed by the end of 2017.

Mr. Ziemer stated he is not comfortable putting out the average cost because it is always higher than ideal. He stated Ms. Ewertsen chose the term “median” over “average.” He asked if that is intentional. Ms. Maffei stated there is now the ability to do data mining. She stated she used to say there is a significant difference between Northern and Southern California but it should be clarified that there is an even smaller geographic area where most of the higher numbers are in Northern California. She stated she is comfortable saying the average is approximately \$5,000 because the other ones were unique.

Ms. Koch stated it could be cut any way, such as by county or region.

Mr. Ziemer stated he has been uncomfortable with the term “average” because it is skewed and does not represent what is being done with the Brace + Bolt program.

Ms. Maffei stated Southern California communities with stem walls, such as San Bernardino, all come in at \$3,000. There are architectural changes between cities and cost of construction changes. Ms. Ewertsen stated she is hopeful that in the future there will be more information regarding some of this data that can help define some of that.

Ms. Curry asked if there is a chart broken out by the north and south. Ms. Maffei stated the team could put together regional discrepancies in cost for the next meeting. Ms. Ewertsen noted that the engineered retrofits are substantially more.

- Ms. Ewertsen continued the slide presentation and discussed the home inspection company, Twining Incorporated. Staff provides random samples of homes for them to inspect to ensure retrofits were done appropriately. 54 inspections were done in 2017.

Ms. Koch asked about the findings. Ms. Maffei stated she reviews the findings and sees one minor issue that comes up that she is not concerned about where the measurement between the bolt and the end of the piece of wood is not always exact. It is not a concern in terms of the overall performance but it provides an opportunity to communicate with the contractors and add this to the training.

- Ms. Ewertsen continued the slide presentation and discussed the maps showing the location of completed retrofits and the number of contractors in Northern and Southern California.
- The contract for Twining Incorporated, the home inspection group, will expire in April and will require an RFQ, so staff did a three-month amendment to their contract.
- The auditor RFQ will be going out this year, as well. There was additional discussion about the amendment to the auditor contract and when a new auditor would be necessary—2018 audit in 2019

Ms. Ewertsen stated an article in the National Institute of Building Sciences found that every federal dollar spent on mitigation helps reduce future costs by an average of six dollars.

**6. 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.

**7. Adjournment.**

The next Board meeting is scheduled for May 15, 2018.

There being no further business, the meeting was adjourned at 2:18 p.m.