

As approved by the Governing Board on Tuesday, August 23, 2022.

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

**Tuesday, May 3, 2022
1:00 p.m.**

Location: Governor's Office of Emergency Services (Cal OES)
3650 Schriever Avenue
Room MPR-2
Mather, CA 95655

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

Laurie Johnson, Chair, CRMP Governing Board
Jim Lombard, CEA Appointee, CRMP Governing Board
Alex Pal, Chief Legal Counsel, Cal OES

Members of the CRMP Staff in attendance:

Janiele Maffei, Executive Director, CRMP
Annde Ewertsen, Managing Director, CRMP
Benjamin Kirwan, Treasurer, CRMP
Seth Merewitz, Counsel, CRMP

Also Present:

No members of the public addressed the Governing Board.

1. Call to order and member roll call.

Chair Laurie Johnson called the meeting to order at approximately 1:00 p.m. Vice Chair Lori Nezhura was not in attendance. A quorum was achieved.

2. Consideration and approval of the minutes of the February 8, 2022, Governing Board Meeting.

MOTION: Mr. Lombard moved approval of the February 8, 2022, California Residential Mitigation Program Governing Board Meeting Minutes as presented. Mr. Pal seconded. Motion carried unanimously.

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

Janiele Maffei, CRMP Executive Director, 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: cripple wall, living-space-over-garage, hillside house, and chimney.
- Over 16,500 retrofits have been completed to date.
- The Federal Emergency Management Agency (FEMA) grant came in, which will help to increase the number of retrofits this year.
- Supplemental grants for income-eligible homeowners have been included in this year's program. This grant provides 100 percent of the funds needed to help strengthen houses in disadvantaged communities.
 - Supplemental grants are available through the FEMA grant, which means they will not be taxable.

Earthquake Soft-Story (ESS) Program

- The ESS Program to mitigate the living-space-over-garage vulnerability will launch later this year to address this pervasive and dangerous problem.
- The number-one residential target among the earthquake engineering community in California is the multi-family soft-story, which will be part of the Multi-Family Soft-Story Retrofit Grant Program.
- An application has been submitted for a FEMA Building Resilient Infrastructure and Communities (BRIC) grant for \$20 million to open pilot programs in Alameda, San Francisco, and Los Angeles Counties.
- After a competitive bid, an organization was awarded a contract to provide cost estimates with a variety of different configurations of ESS work, including ESS homes that also require EBB mitigation.
- An application was submitted for the Cal OES PrepareCA Match Funding opportunity for Cal OES-designated socially-vulnerable communities such as San Bernardino. A tremendous impact can be made in this community if the application is selected. Selections are expected soon.

Legislative Efforts

- If passed, the Build Back Better Act will include the Disaster Mitigation and Tax Parity Act, which removes qualified catastrophe mitigation payment, like EBB, from federal taxable gross income.

Mean Retrofit Costs

Ms. Maffei stated retrofit data from the retrofits completed to date is being tracked by program, pre-COVID, COVID, quarter, and year to establish the mean retrofit cost and to ensure that the retrofit grant is always relevant and that the Supplemental Grant Program funding can meet the needs of as many homeowners as possible. She deferred to Annde Ewertsen to provide details on the data tracking effort.

Annde Ewertsen, CRMP Managing Director, provided an overview, with a slide presentation, of the mean retrofit cost data, definitions, and data range. She showed bar

charts for each area being tracked. She noted that costs have increased slightly during the COVID-19 pandemic, but not as much as anticipated.

Discussion

Chair Johnson stated the grants hold the cost down by putting a cap on it.

Ms. Maffei agreed and stated the need to be careful with the numbers set for the Supplemental Grant Program to ensure that those grants are fully paid for.

Public Comment

There was no public comment.

4. CRMP Executive Director Janiele Maffei will present overview of AB 1721: Seismic Retrofitting of Soft-story, multi-family residential buildings.

Ms. Maffei stated the CEA has scheduled a special CEA Governing Board Meeting this Thursday to discuss Assembly Bill (AB) 1721, which would provide \$2 billion in funding over five years for a Joint Powers Agreement (JPA) between CAL OES and the CEA to manage a Multi-Family Soft-Story Retrofit Grant Program. She noted that the bill does not refer to the CRMP.

Discussion

Chair Johnson asked if, by not naming the CRMP, the bill gives the opportunity for Cal OES and the CEA to run the program within the CRMP or that an additional authority must be created.

Ms. Maffei stated CEA staff will suggest several amendments to the bill at the request of Assembly Member Rodriguez, the author of the bill, at the special meeting to address identified issues, such as clarifying the JPA provision, operation expenses, CRMP code exclusion, and receipt of funding.

Mr. Pal stated, if there are opportunities to maximize efficiencies with existing entities that understand how to administer a grant such as this, it would make sense to utilize them.

Mr. Lombard agreed that there is already a group set up to do this that it would make sense for the CRMP to oversee the program.

Seth Merewitz, Counsel, CRMP, stated he has looked at the bill, along with CEA's attorneys, and they are ready to address technical issues as they come up but will be respectful of members of the JPA heading into this special meeting.

Mr. Pal agreed that the collective team should discuss the bill.

Chair Johnson asked about the CRMP Governing Board's role. CRMP is made up of members from each of the JPA member organizations. She asked if the CRMP can take a position or have an opinion.

Mr. Merewitz stated it would be premature to ask the CRMP Governing Board for recommendations until the JPA member organizations have provided direction.

Chair Johnson asked if it would be useful for CRMP recommendations to be on the record as to whether the CRMP Governing Board supports or does not support the CRMP taking on this enormous responsibility and becoming that designated entity.

Mr. Lombard stated the record reflects that he and Mr. Pal have stated the CRMP could do this work efficiently.

Mr. Pal stated he did not want to make any representations on behalf of Cal OES because he has yet to consult with leadership on this bill. He cautioned against taking formal action until consulting with the respective parent agencies. He stated he agrees with Mr. Merewitz that it might be premature to do more than what has been done already with respect to this topic.

Chair Johnson asked about the timeline on the bill.

Ms. Maffei stated it is sitting in suspense.

Mr. Merewitz stated, if the Governor chooses to include it in the Governor's Budget, it is likely that there may be a proposal from the Administration coming out in May. That is the typical process. If there are time constraints, it may well be as a result of that. If not, they will have until September to move the bill through the process and it would become effective on January 1st of next year.

Public Comment

There was no public comment.

5. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of February 28, 2022.

Benjamin Kirwan, CRMP Treasurer, provided an overview, with a slide presentation, of the CRMP financial information as of February 28, 2022.

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

Annde Ewertzen, CRMP Managing Director, provided an overview, with a slide presentation, of the EBB staff efforts, CRMP and CEA Earthquake Brace + Bolt Programs by program cycle, retrofit funding type by year completed, future funding opportunities, EBB Program contractors, regional differences, engineered and non-engineered retrofits, and withdrawn applications and completion rates. She reviewed new charts about paid applications, which showed the percentage of individuals who obtained a permit within the first 60 days and the percentage of individuals who asked for an extension; the breakdown of permit timing for paid applications, which showed the number of days between acceptance and permit issuance; and the breakdown of payment timing, which showed the number of days between acceptance and grant payment. She asked if the three new charts were helpful.

Discussion

Mr. Lombard asked about the types of questions staff receive from homeowners.

Ms. Ewertzen stated staff receives many different types of questions based on where they are in the process. During registration, staff receives many questions about how to register. After registration closes, staff receives questions about when individuals will be accepted into the program. Later in the process, staff receives questions on how to work through the

dashboards and the type of information that is required and about when individuals will be accepted off of the waitlist.

Chair Johnson stated the new charts are useful for tracking the data, especially with the new step in the process with respect to FEMA. She asked about the number of days from when individuals submit the final papers to the time of payment.

Ms. Ewertsen stated staff generally reviews those within three days. They go to Finance every Tuesday at 5:00 p.m. If they are not reviewed by Tuesday at 5:00 p.m., they are put back another week. It varies from three to four days to ten days from the time staff receives the paperwork.

Mr. Pal agreed that the new data is helpful, especially in respect to the delay with FEMA.

Public Comment

There was no public comment.

7. CRMP Managing Director Annde Ewertsen will present request to award for contract, RFQ-0815, Public Relations and Marketing Services, for approval.

Ms. Ewertsen provided an overview, with a slide presentation, of the background, procurement process, and RFQ advertisements. Of the five applications received, three entities were interviewed.

Staff Recommendation:

- Award the contract and authorize Executive Director Janiele Maffai to enter into a contract with TRAFFIK, utilizing the terms and conditions specified in the RFP-Q, subject to minor conforming and clarifying changes acceptable to the Executive Director and Counsel for CRMP.

Discussion

Mr. Pal asked where the potential awardee's RFP fell within the spectrum of the applications received.

Ms. Ewertsen stated they had a different cost structure than others with a blended rate as opposed to a rate for each individual person. Their cost was lower but that was not the only reason for their selection. They showed creativity in their proposal.

Chair Johnson stated the CEA has had a policy of having a more diverse approach to outreach.

Ms. Ewertsen stated diversity was one of the scoring criteria for the RFP. This company is a minority-based company as well and is CEA's ethnic media consultant.

MOTION: Mr. Lombard moved the staff recommendation. Mr. Pal seconded. Motion carried unanimously.

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.

Mr. Pal announced that this was his last Board meeting. He stated his appreciation for everyone's hard work and the growth CRMP has seen over the past four years.

Board Members and staff thanked Mr. Pal for his years of service with the Board and wished him well in his future endeavors.

Chair Johnson stated Vice Chair Lori Nezhura, who was unable to be in attendance, wanted to express appreciation for Mr. Pal's years of service, as well, on behalf of Cal OES.

Ms. Ewertsen presented Mr. Pal with a mug to commemorate his time with the Board.

MOTION: Mr. Pal moved the adjourn the California Residential Mitigation Program Governing Board meeting. Mr. Lombard seconded. Motion carried unanimously.

There being no further business, the meeting was adjourned at approximately 2:30 p.m.