

Approved 7/15/2014

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

**Thursday, April 24, 2014  
3:00 P.M.**

Location: Office of the California Earthquake Authority (CEA)  
801 K Street, 10<sup>th</sup> Floor  
Main Conference Room  
Sacramento, California

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

Mitch Ziemer, Insurance Director, California Earthquake Authority  
Dan Dyce, Claim Manager, California Earthquake Authority  
Nancy Ward, Chief Deputy Director, California Office of Emergency Services  
Christina Curry, Deputy Director, California Office of Emergency Services

Members of the CRMP Staff in attendance:

Janiele Maffei, Executive Director  
Bill Donovan, Counsel  
Marianne Knoy, Mitigation Program Manager  
Danny Marshall, Secretary  
Tim Richison, Treasurer and Auditor  
Celia Luna, Customer Care Representative

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

Chairperson Ziemer called the meeting to order at 3:00 p.m. A quorum was established.

**2. Consideration and acceptance of letter of appointment.**

Ms. Maffei presented the letter of appointment of Nancy Ward by the California Office of Emergency Services (Cal OES).

**MOTION:** Mr. Dyce moved acceptance of the letter of appointment; seconded by Ms. Curry. The motion carried unanimously.

**3. Consideration and approval of the minutes of the February 21, 2014 CRMP board meeting.**

**MOTION:** Mr. Dyce moved approval of the February 21, 2014 meeting minutes; seconded by Ms. Curry. Motion carried unanimously.

**4. Executive Director Janiele Maffei will present her executive report.**

Ms. Maffei presented an update on CRMP and CEA mitigation interests and projects.

The preparation of mitigation program guidelines, now called the Pre-Standard, Applied Technology Council (ATC) 110 is underway. The project technical team steering committee is identifying the types of vulnerabilities for which to create standards. The committee intends to come up with an outline for the document by August.

CRMP is seeking to identify how much to reduce the expected earthquake damage figure to a home when the Brace + Bolt program retrofitting of that home is completed. The first step is to consult with the risk modeling firms that are under contract with the CEA. The information developed will be useful in the ATC Pre-Standard project as well as the Brace + Bolt program.

Ms. Maffei and Ms. Knoy are exploring additional funding options for CRMP programs. The CEA has formed a staff committee to discuss this.

Ms. Maffei reported that there is an emerging need for trained residential seismic house inspectors. Currently CRMP relies on building department inspectors. In answer to a question from Mr. Dyce, Ms. Maffei explained that ATC 50 had developed into Federal Emergency Management Agency (FEMA) P50, a document that is a national rating system for houses. Verification is a huge issue, and a residential seismic house inspector could evaluate and verify at a reasonable fee.

In answer to a question from Mr. Ziemer, Ms. Maffei explained that FEMA P50 is a well-thought-out document, but as it is not mandatory, it is not utilized.

Ms. Maffei added that the first thing the ATC panel did was to develop a huge spreadsheet of previous research used for reference or for incorporation.

**5. CRMP Treasurer Tim Richison will present a financial report.**

Mr. Richison presented an update on CRMP finances. His financial report is attached to these minutes.

He reported that the CRMP fund balance is a little over \$569,000.

The 2014 budget is anticipated to have \$1.4 million of expenditures. In August, if it looks like further funding is needed, CRMP will need to go before the CEA Board with the request.

For the first two months of 2014, the budget is on target with \$36,000 spent.

In answer to a question from Mr. Dyce, Mr. Richison explained the process by which the CEA allocates money out of the \$24.9 million set aside for mitigation efforts.

**6. Program Manager Marianne Knoy will present an update on the Earthquake Brace + Bolt project.**

The pilot project concluded on March 31, 2014. Eight houses were retrofitted: six in Los Angeles and two in Oakland.

A program evaluator is speaking with homeowners, contractors, building officials, and other stakeholders. The evaluation will include interviews with homeowners who did and did not participate in the program.

The average cost of the projects in Los Angeles was less than \$5,000, while the average cost in Oakland was over \$7,000. An analysis of the difference is underway. The information obtained will be used to inform plans for the program expansion.

Ms. Knoy reported that overall the program worked smoothly.

Mr. Dyce asked if the homeowners are inquiring about further work they can do to their homes. Ms. Knoy responded that they are; but most of the calls recently are from other homeowners concerning expansion of the program. Ms. Maffei added that the educational module on the website provides information for contractors.

Ms. Maffei said that the CRMP webpage directs people to Cal OES, the Seismic Safety Commission, the Red Cross, and other sources for how to prepare the homeowner's family and home.

Ms. Ward noted that it would be interesting to find out if the eight homeowners had already done simpler, less costly additional mitigation.

Ms. Maffei stated that a structural engineer from Saberi & Associates in Los Angeles is going to interview the homeowners. She will try to determine their level of understanding of overall risk and hazard.

Ms. Curry asked how many homeowners were actually eligible at the project outset. Ms. Knoy explained the selection process. Ms. Maffei added that homeowners had been given a time limit because of the need for an evaluation afterwards. The CRMP staff felt that the time limit had been liberal. For the expansion, the time limit may be set at six months, since building permits last for six months.

#### **7. Ms. Maffei will present an outline for expansion of the Earthquake Brace + Bolt project.**

Ms. Maffei's presentation is attached to these minutes. She described a proposed five-stage expansion of the Brace + Bolt program.

Because the project relies on the individual building department quality control system – the permit system and the inspection system – it is very important for staff to touch base with the building departments. They need to know the resources available to them, and they need to have adopted Chapter A3.

The staff proposal for expanding the existing program is as follows.

1. Go back to the existing registered homeowners; staff needs to keep close tabs on costs per house.
2. Expand in Oakland and Los Angeles to adjacent zip codes.

3. There are many homes in California built prior to 1940 that have a crawl space and a raised or wood floor that sits directly on the concrete foundation. These homes still may not have sufficient brace bolting. Staff is going to do cost-benefit analysis on those homes. Ms. Maffei will then return to the Board in July with a proposal for a bolt-only program, which should involve less cost than the cripple wall program.

Mr. Marshall ensured with Ms. Maffei that Policies and Procedures would be set in place.

4. Expand on a building department-by-building department basis. Ms. Maffei would start with four cities that already have programs in place into which the Brace + Bolt program fits: San Leandro, San Francisco, Santa Monica, and Pasadena.
5. \$5,000 may not be the tipping point for all demographics. There are communities with factors of a second language, income, elderly population, and disabled population that may not be able to make use of CRMP resources. Staff is therefore looking into partnerships with organizations that already exist, that act as the agent for a homeowner. One that will be used as the pilot program is Rebuilding Together, starting with the chapter in San Francisco.

Staff hopes to learn a lot from the post-pilot evaluation, to be completed in May. Staff will overlay the results on the ideas for expansion, make appropriate changes, and work with the CEA marketing team and the special inspection team (Twining).

Staff is proposing to come back to the Board in July with a detailed proposal for expansion, and hopes to begin the program in late summer/early fall.

Ms. Curry ascertained with Ms. Maffei that FEMA training would be an available resource for building departments. Ms. Maffei emphasized that to be successful, CRMP needs partnerships with other staff that understand this type of project.

Ms. Curry asked about finding potential communities without having self-identified homeowners at the front end. Ms. Maffei described a spreadsheet that staff has put together that includes data on the two faults with the greatest probability of rupture in the next 30 years; U.S. Census data on populations; and percentage of homes constructed before 1940. In Hayward, 26% of people live in homes like this. Staff has the marketing ability to find addresses from publically available information. As the program expands, they can target the appropriate areas; this will enable them to do as little marketing as possible.

The group discussed “guerilla marketing,” the value of parent email strings in the Oakland area for advertising the pilot program, and even lawn signs. Ms. Maffei felt that contractors will also be very useful for marketing. (At the same time the program is cognizant of not appearing to endorse contractors.)

Mr. Marshall emphasized the importance of having processes and rules in place down the line – criteria that is visible to the public.

Ms. Maffei agreed and stressed the importance of having a limited number of each of the expansions, to avoid giving the impression that all of the money is going to one community. It is a balance between spreading the programs across the state in an equitable manner, yet ensuring that cities with knowledgeable building departments are utilized. Mr. Marshall pointed out that there are different views from city to city of what “equity” consists of.

Ms. Maffei noted that customer care will involve having a call center and an appropriate script. Staff is gearing up for how much public customer service will be needed to do an appropriate job.

Mr. Ziemer asked about the graduated stages of the program. Ms. Maffei replied that there will be a matrix stating the demand on the payment group and the demand on customer service. It is beneficial that the building departments/City Managers in San Leandro, San Francisco, Santa Monica, and Pasadena will do a tremendous amount of marketing for the program. This expansion will not be a tremendous strain on CRMP marketing needs, but it will be a real test of customer service needs.

Ms. Ward asked if the same evaluation process will be put into place; Ms. Maffei felt that it will depend on the kinds of comments that come in from the first evaluation. The group discussed the second evaluation.

Mr. Marshall asked about city expectations for project scale in their communities; Ms. Maffei said that they will have a very clear idea of how many houses will be done. She noted that when there is a sense of a lottery in progress, it brings energy to a project. The Policies and Procedures are very clear about the guarantee of when the homeowners can receive the \$3,000 – when they finish their part of the bargain, they can receive the payment.

## **8. Public Comment**

There was no public comment.

Mr. Ziemer asked Ms. Ward about her background. She responded that her experience has all been in civil service. She worked for 19 years at the Department of Social Services and almost nine at Cal OES, mostly doing disaster work. She moved to FEMA and spent almost 14 years there, including some time in Washington D.C. under the Obama Administration. She has now returned to emergency management at Cal OES.

## **9. Adjournment**

Mr. Ziemer adjourned the meeting at 4:03 p.m.