

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

**Tuesday, April 21, 2015
1:00 p.m.**

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

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

Christina Curry, Vice Chair, Deputy Director, California Office of Emergency Services
Dan Dyce, Claim Manager, California Earthquake Authority
Mitch Ziemer, Chair, Insurance Director, California Earthquake Authority

Members of the CRMP Staff in attendance:

Janiele Maffei, Executive Director
Sheri Aguirre, Managing Director
Bill Donovan, Counsel
Danny Marshall, Secretary
Tim Richison, Treasurer
Marianne Knoy
Celia Luna

Also Present:

Bruce Patton, Director of Policy, Research and Special Projects, CEA

1. Call to order and member roll call.

Chair Mitch Ziemer called the meeting to order at 1:09 p.m. A quorum was achieved.

2. Consideration and approval of the minutes of the February 3, 2015, CRMP governing board meeting.

MOTION: Board Member Curry moved approval of the February 3, 2015, California Residential Mitigation Program Governing Board Meeting Minutes as presented. Board Member Dyce seconded. Motion carried unanimously.

3. CRMP Treasurer Tim Richison will present a financial report.

Mr. Richison discussed the unaudited financial information as of December 31, 2014, and the unaudited financial information for the quarter ended March 31, 2015, attached to these minutes.

He explained that funds committed to CRMP from the California Earthquake Authority (“CEA”), reflected on the year-end balance sheet as “Due from CEA,” will be transferred to CRMP as needed in 2015. He noted that total expenditures for 2014 aggregated only 35% of the amount budgeted because of delays in expanding the Earthquake Brace + Bolt (“EBB”) program but that the reported expenditures for the first quarter reflect the startup of the expansion of the EBB program.

Chair Ziemer asked why the line item “consumer incentives” was grouped with other expenditures in the Statements of Revenues, Expenditures and Changes in Fund Balance. Mr. Richison said it was to align the format to the CEA budget line items. Chair Ziemer requested that consumer incentives be stated separately to highlight those expenditures for the public.

Vice Chair Curry asked why the funds committed to CRMP by the CEA are retained by the CEA. Mr. Richison stated the funds are invested by the CEA until they are needed by CRMP and that CRMP does not have corresponding investment arrangements. He stated that funds will be moved to CRMP on an as-needed basis throughout the year in smaller increments.

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

Ms. Maffei stated that CRMP Managing Director Sheri Aguirre would report in detail on CRMP’s EBB Program and that she would update the governing board on the CEA’s mitigation programs. A copy of her presentation is attached to these minutes. She described three projects: the cripple wall research project; the ATC 110 project; and the south Napa earthquake research project.

- Cripple Wall Research Project
 - The lead is Bruce Patton, the CEA Director of Research and Special Products.
 - Submittals to the RFP that went out in January of 2015 for a program management team are in the process of being evaluated. Interviews are anticipated in May.
 - Research Project Components:
 - Numerical Modeling
 - Element Modeling
 - Shake Table Test
 - Graphics
- ATC 110
 - Approval from the CEA Board for a three-year program for one- to four-unit, wood frame dwellings
 - Identified three common and serious vulnerabilities:
 - Classic cripple wall

- Living space over a garage
- Hillside
- Created a scope of work, schedule, and budget
- Goal to create this document to be adopted into the code and be available to homeowners throughout the state
- South Napa Earthquake Research
 - Online marketing material
 - Online survey of homeowners to highlight the cost-benefit analysis from financial and social inhabitability benefit to the homeowner who makes those improvements to their house
 - Phase 1 – over 600 responses to the survey
 - Phase 2 – opportunity to visit and inspect 50 of those homes; 200 homeowners have volunteered to have their homes inspected

5. CRMP Managing Director Sheri Aguirre will present an update on the Earthquake Brace + Bolt (EBB) program.

Ms. Aguirre described the status of the EBB program. A copy of her presentation is attached to these minutes.

- The EBB program is now in six cities.
 - 475 homes have been selected for the program in five cities, excluding San Leandro (which has a longer permitting process)
 - 22 completed retrofits
 - 121 permits taken out
 - 100 San Leandro participants have until June 2 to obtain permits
- 75 Napa participants have until June 19th to obtain permits

Lessons Learned:

- There is a 50 percent dropout rate.
- Many homeowners have withdrawn from the program. Other homeowners will be plugged into those slots this week.
- The four-week contractor selection and permit process was too short; it is now eight weeks.
- Homeowners require reminders of their deadlines and next steps via telephone calls and emails, and they require encouragement to continue in the process.

- The new website to be launched on May 14th along with the new social media exposure will make it easier for the homeowner and will allow the contractor to handle some program details for the homeowner.

Danny Marshall, the CRMP Secretary, asked why homeowners withdraw from the program. Ms. Aguirre said she needed a survey to ascertain why homeowners withdraw. She stated that she believed homeowners were excited about this program but were overwhelmed, unsure of their next step, or forgetful. She stated the new website will be more user-friendly to help people through the process.

Mr. Richison asked if more dropouts were seen in Northern or Southern California. Ms. Aguirre stated she did not know; however, Northern California is more expensive and the process is more difficult because the permitting is online in Southern California. Ms. Maffei added that CRMP will continue to encourage change within building departments as data becomes more available to the value of online permitting.

Vice Chair Curry suggested that contractors be encouraged to help clients through the process. Ms. Aguirre agreed and said that as contractors become more familiar with the EBB program and retrofit compliance, they can expedite the process more successfully for the client. She gave the example of a contractor in Southern California who has done seven of the twenty-two EBB retrofits completed to date and is quite knowledgeable and helpful for his clients.

Ms. Aguirre stated that CRMP has applied for FEMA's Hazard Mitigation Grant program for federal funds to retrofit 75 to 100 additional homes in Napa. She noted the additional federal requirements of house photos and other steps would require more CRMP work than the current EBB program, but otherwise the federal program seemed consistent with the EBB program.

6. Ms. Maffei will outline EBB Selection Protocol used to date and present for approval protocol for each subsequent expansion.

Ms. Maffei said that she planned to provide an update today and will not ask for approval. A copy of her presentation is attached to these minutes.

She explained that the formula for the selection of ZIP codes for the pilot program and the first expansion was risk = hazard x vulnerability.

Selection Categories:

- Optimizing density of older homes
- Utilizing local government
- Seismic risk in the ZIP code
- Recent significant earthquake in the ZIP code

Chair Ziemer asked if enough has been learned from Napa on older homes to influence the selection process on pre-1940 homes and if there are too many homes in that age bracket with foundation problems. Ms. Aguirre stated there have been times when older homes require foundation repairs, but, for the most part, that foundation problems had not been seen in homes in the EBB program.

Board Member Dyce asked Mr. Marshall to comment on current proposed legislation pertaining to seismic retrofits. Mr. Marshall discussed three bills:

- Senate Bill 602 - seismic safety: California Earthquake Authority, introduced by Senator Monning
- Assembly Bill (AB) 1429 - earthquake loss mitigation: grant programs, introduced by Assembly Member Chiu
- AB 1440 - earthquake loss mitigation: grant programs, introduced by Assembly Member Nazarian

7. Ms. Aguirre will present for approval EBB program Expansion 3.

- Expansion 1 began January 1, 2015, and included 6 cities
- Expansion 2 began in Napa on April 20, 2015
- Expansion 3 is planned for the summer of 2015
 - Offer the program to homeowners on the waitlist
 - Do not open it up to new ZIP codes
- Timeline:
 - September - offer to homeowners on the waitlist with thirty days to respond
 - October and November - contractor selection and permit period
 - December through May of 2016 - complete the retrofit

MOTION: Board Member Dyce moved approval of the Earthquake Brace + Bolt Program Expansion 3. Vice Chair Curry seconded. Motion carried unanimously.

8. Ms. Maffei will present for approval the proposed meeting calendar for the balance of 2015.

MOTION: Vice Chair Curry moved approval of the 2015 calendar attached to these minutes. Board Member Dyce seconded. Motion carried unanimously.

9. 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 comments or requests from members of the public pertaining to the CRMP or the Governing Board.

10. Adjournment.

There being no further matters to consider, Chair Ziemer adjourned the meeting at 2:28 p.m.