

As approved by the Governing Board on Tuesday, August 27, 2024.

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

**June 4, 2024
1:00 p.m.**

Location: Wells Fargo Building
400 Capitol Mall
Suite 670, 6th Floor
Sacramento, CA 95814

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

Attendance:

Lori Nezhura, Chair*
George Sittner, Vice Chair
Jennifer Bollinger
Tom Welsh by Susie Hernandez

*Participated remotely.

Members of the CRMP Staff in Attendance:

Janiele Maffei, Executive Director
Mark Grissom, Program Manager
Jennifer Hogan, Managing Director
Benjamin Kirwan, Treasurer
Seth Merewitz, Counsel
Suman Tatapudy, Secretary
Maura White, Program Analyst
Jasmine Castro, CRMP Staff

1. Call to order and member roll call.

Chair Nezhura called the meeting to order at 12:59 p.m. A quorum was achieved.

2. Consideration and approval of the minutes of the February 27, 2024, CRMP Governing Board meeting.

MOTION: Vice Chair Sittner moved to approve the February 27, 2024, minutes of the California Residential Mitigation Program Governing Board. Ms. Bollinger seconded. There was no public comment on the motion. The motion passed unanimously by roll call vote with Ms. Hernandez abstaining.

3. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of March 31, 2024.

Mr. Kirwan reviewed the CRMP financial information as of March 31, 2024:

Balance Sheet:

- Assets
 - The Cash and Cash Equivalents Line Item is approximately \$2.6 million. The available cash balance is approximately \$1.5 million.
 - A \$4 million transfer of funds from the Loss Mitigation Fund to the CRMP will be requested at the June 25th CEA Governing Board meeting to cover operating expenses for the summer. It is anticipated that no reimbursements will be received from June through the end of August, due to budget constraints.
 - The Accounts Receivable Line Item is approximately \$9 million.
 - CRMP total assets are approximately \$12 million.
- Liabilities and Fund Balance
 - The Accounts Payable and Accrued Expenses Line Item is approximately \$228,000 mainly made up of mitigation administrative expenses that will be reimbursed as part of the Federal Emergency Management Agency (FEMA) program.
 - The current total fund balance is approximately \$11.3 million.
 - The total liabilities and fund balance is approximately \$11.6 million.

Statement of Revenues, Expenditures, and Changes in Fund Balance:

- Revenues
 - Contributions from other governments of approximately \$4.4 million of reimbursed retrofit payments were issued.
- Expenditures
 - The total expenditures for the first three months of 2024 were approximately \$4.4 million.
 - The largest expenditures were grants to homeowners of \$4.2 million and marketing services/program education of \$169,000.
 - Market services were well under budget from what was anticipated for 2023. These were charges incurred from Zoom and KP Public Affairs.

Budgeted Expenditures and Actual Expenditures:

- Revenue
 - FEMA programs are well under budget. Much of that difference will be made up in the next nine months.
- CRMP Administration Expenses
 - Most of these Line Items are on track to be either below or on budget.

- More expenses are anticipated to be incurred for EBB Marketing/Program Education in the latter part of 2024.
- There is typically an uptick in Home Inspection Services at the end of the year.
- The results of the 2023 Financial Audit will be presented at the next meeting. To date, only \$1,500 in billings have been received. Additional billings are anticipated in the next couple of months.

Discussion

Chair Nezhura asked if it is typical to request a transfer from the Loss Mitigation Fund at the beginning of a new year, due to the delay in the release of funding from the budget.

Mr. Kirwan stated last year was the first time that issue occurred. He noted that the same issue may not happen this year but, to cover cashflow needs, it will be assumed.

Public Comment

There was no public comment.

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

Ms. Maffei updated the Governing Board on the CRMP and CEA mitigation interests and projects:

- Over 25,000 retrofits have been completed to date.

The Multi-Family Soft-Story (MSS) Retrofit Grant Program is in the Phase One planning stage.

- The 2021 and 2022 applications for \$20 million FEMA Building Resilient Infrastructure and Communities (BRIC) Grants were awarded. The application submitted in 2023 is currently under review.

Ms. Maffei noted that there are issues with the seismic design criteria. The seismic design criteria chosen is important for these dangerous buildings. She stated the need to comply with the International Building Code and the California Building Code for new and existing buildings. When mandatory soft-story ordinances came out, the building departments in those cities looked for the model code required to retrofit soft-story buildings. Many cities have elected to call for the use of the 2012 Existing Building Code for the American Society of Civil Engineering (ASCE) 41, which is a separate document that was designed for the retrofit of existing buildings, or the FEMA P 807, which was designed specifically for multi-family wood-frame soft-story buildings. These are complete seismic designs but it is important to note that cities, such as the city of Los Angeles and other cities in Southern California, have adopted something outside of these three model codes.

Ms. Maffei stated, because of the use of several codes in Northern and Southern California, FEMA did a study, FEMA P 807-1, of those various codes and included modified requirements for the city of Los Angeles and Southern California, to find an appropriate seismic design criteria for these soft-story retrofits. The study was published in September. One of the main findings was that many cities in Northern California,

such as San Francisco, require that the entire first or ground story be considered and addressed; whereas, many cities in Southern California, such as Los Angeles, allow retrofits to directly mitigate the open-front or open-line vulnerability without strengthening the entire story. This description makes it sound like Los Angeles is doing less of a retrofit.

Ms. Maffei stated the FEMA P 807-1 recommends that a full-story retrofit be required, where practicable, which typically means where it is affordable. She stated, since the CRMP is bringing funding to these building owners, the term “where applicable” will be carefully considered; however, it is not within the CRMP’s purview to determine the design criteria. She stated, in light of the recent publication of FEMA P 801-1, the CRMP has requested that the Existing Building Committee of the Structural Engineers Association of California (SEAOC) write a white paper with recommendations for the seismic design requirements for the MSS program. Their recommendations have not yet been received.

Discussion

Chair Nezhura asked about the content of the BRIC application.

Ms. Mafei stated the application included all three building codes. She stated the importance of having a statement from the SEAOC as to why additional strengthening requirements should be included in the program.

Vice Chair Sittner asked when SEAOC’s white paper is expected.

Ms. Maffei stated she requested a response by the end of August.

5. CRMP Managing Director Jennifer Hogan will present the CRMP Mitigation (Earthquake Brace + Bolt) update.

Ms. Hogan presented her report:

Earthquake Brace + Bolt Program Update

- Retrofits strengthen four vulnerabilities as identified in the Applied Technology Council (ATC) 110 Research Project: cripple wall, living-space-over-garage, hillside house, and chimney.
 - The Earthquake Brace + Bolt (EBB) Program mitigates the cripple wall vulnerability.
 - The ESS Program mitigates the living-space-over-garage vulnerability.
- Over 25,000 retrofits have been completed to date.
- Approximately 21,000 homeowners registered in January.
- Approximately 10,000 homeowners have been accepted into the program to date. All registrants are expected to be accepted into the program by December 1st.

Earthquake Soft-Story (ESS) Pilot Program

- The Single-Family ESS Pilot Program to mitigate the living-space-over-garage vulnerability has opened in 82 eligible ZIP Codes within the 5 pilot areas. The grants are for a maximum of \$13,000.
- 48 homeowners have completed the pre-retrofit process. Staff has started submitting those applications to FEMA for review and approval in January.
- A response from FEMA is expected soon.

Ms. Hogan noted that if all homeowners remaining in the program completed a retrofit, close to \$1 million of the \$5 million grant will be expended. This likely will not occur. She stated another registration period is anticipated for the ESS Pilot Program around September but it will depend on the time it takes to complete the review.

Multifamily Soft-Story

- The Phase 1 awards for BRIC 2021 and 2022 were for \$20 million each for a total of \$40 million.
- Phase 1 (14 to 16 months) includes the work to develop the programs to open registration. The overall period of performance for these grants is three years with up to two one-year time extensions.
- The CRMP's cost share for these grants totals approximately \$3 million.
- The applications proposed that the CRMP would retrofit up to 760 5- to 10-unit buildings with a wood frame construction in Los Angeles, Alameda, and Contra Costa Counties, with the BRIC 2022 additionally including San Francisco, San Diego, San Bernardino, San Mateo, and Kern Counties.
- Inflation has gone up since the applications were submitted, which means fewer buildings can be retrofitted with the awarded funding.
- The deliverable for the Phase 1 grants is a list of properties that the CRMP will submit to FEMA for review and approval.
- The deliverable for the Phase 2 grants will include the retrofit work.

Future Funding Opportunities

- Hazard Mitigation Grant Program (HMGP) DR-4750 (Hurricane Hillary)

A \$5 million EBB application is due to be submitted to the California Governor's Office of Emergency Services (Cal OES) on June 10th.

- HMGP DR 2022-2023 (early winter storms)

The CRMP previously submitted a \$5 million EBB grant application to Cal OES. Cal OES submitted the application to FEMA for review in April.

Staffing Update

- D'Anne Ousley, Communications Specialist, will be retiring in August after nearly 15 years at the CEA/CRMP. She stated appreciation for Ms. Ousley's work over the years.

- Interviews for the new Program Outreach Coordinator are currently under way. The new staff member is expected in early July.

Discussion

Vice Chair Sittner congratulated staff on the number of retrofits completed and funding obtained, particularly for the Multifamily Soft-Story Program. Providing a life-saving service for individuals who live in higher-risk buildings is important.

Ms. Hernandez asked if all EBB applicants are expected to be accepted into the program.

Ms. Hogan stated they will.

Chair Nezhura stated the ESS is proceeding slowly and mirroring the earlier years of the EBB program. She asked if staff is finding that the FEMA review of the applications is taking longer than the EBB review.

Ms. Hogan stated there is an exclusion so FEMA does not need to review EBB applications anymore. The timing is consistent to what has been seen in the past.

Chair Nezhura asked if the cost is expected to decrease as more contractors come on board.

Ms. Maffei stated she would like to see the price decrease like it did with EBB but noted that there are no guarantees.

Chair Nezhura asked about the average cost per retrofit for the ESS program.

Ms. Maffei stated there is not yet an average since an application has yet to be approved by FEMA. Estimates indicate that it will cost between \$14,000 and \$30,000.

Ms. Hogan stated the maximum grant amount a homeowner can receive in the ESS Program is \$13,000, depending on the type of retrofit and their geographic location.

Public Comment

There was no public comment.

6. CRMP Managing Director Jennifer Hogan will present a new Printing Services and Market Analysis Agreement with ZOOM Media, for approval.

Ms. Hogan stated the contract for the current printing services and market analysis vendor, ZOOM Cross-Media, LLC, ends in July. She provided an overview of the background of the work done by ZOOM Cross-Media for CRMP over the years. She stated they will be instrumental in helping with the launch of the MSS Grant Program and upcoming ESS and EBB registrations.

Staff recommendation:

- Award a contract to ZOOM Cross-Media, LLC, to provide printing services and market analysis services for the CRMP program, as outlined in the proposed contract:
 - Three-year term, beginning July 14th
 - Proposed scope as outlined in Attachment A

- Proposed fees as outlined in Attachment B, not to exceed \$250,000 per year

There were no questions from Governing Board Members. and no public comment.

MOTION: Vice Chair Sittner moved to approve the proposed contract with ZOOM Cross-Media, LLC, for printing services and market analysis. Ms. Bollinger seconded. There was no public comment on the motion. The motion passed unanimously by roll call vote.

7. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.

Fergus Sullivan asked about the intent of the income verification for the supplemental grants. It appears that for 2024 applicants, the income verification refers to tax year 2022 rather than tax year 2023. The speaker asked if that is intentional and how that relates to the fact that on the website, the income limits were specified for 2023 rather than for 2022.

Ms. Hogan stated the previous tax year is used for income verification. Registration is opened in January but, with time extension, some homeowners do not file their taxes until October. The threshold for the income verification for the EBB Supplementary Grants for income-eligible homeowners is based on the California Department of Housing and Community Development (HCD's) income limits, which is updated annually in May.

Fergus Sullivan stated it seems unfortunate that that is the case. Currently, it would make a difference if the tax year of 2023 could be used rather than 2022. He asked about having two years assessed.

Ms. Hogan stated it is something that can be explored. She asked Mr. Sullivan to email his questions and concerns to her directly for further discussion.

8. Adjournment.

There being no further business, the meeting was adjourned at 1:45 p.m.