

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

**Tuesday, February 25, 2020
1:00 p.m.**

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

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

Mitch Ziemer, Chair, Insurance and Claim Director, California Earthquake Authority (CEA)
Christina Curry, Vice Chair, Deputy Director, Cal OES
Dan Dyce, Consultant, CEA
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
Tom Welsh, Secretary, CRMP
Jacqueline Ball, Executive Assistant

Also Present:

No members of the public addressed the Board.

1. Call to order and member roll call.

Mr. Ziemer called the meeting to order at 1:05 p.m. A quorum was achieved.

2. Consideration and approval of the minutes of the December 3, 2019, CRMP Governing Board Meeting.

MOTION: Mr. Dyce moved approval of the December 3, 2019, 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 Board on the CEA's mitigation projects:

EBB Incentive Programs

- Approximately 9,800 EBB retrofits have been completed to date.

CEA Mitigation Program

- ATC110/FEMA P-1100 Project
 - Volume 1 – Prestandard for Vulnerability-Based Seismic Assessment and Retrofit of One- and Two-Family Dwellings was published almost a year ago.
 - Volumes 2A – Plan Set for Crawlspace Dwellings, 2B – Plan Set for Living-Space-Over Garage Dwellings, and 2C – Plan Set for Masonry Chimneys have now been published.
 - The design methodology for the Hillside Home is included in the document but does not include plan sets, as it was determined to require an engineered solution.

Legislative Efforts

- H.R. 5494, Catastrophe Loss Mitigation Incentive and Tax Parity Act of 2019
 - Hazard mitigation grant funding, loss mitigation funding, and state funding tax-exempt at the federal level
 - Recently reintroduced
 - Changes include the addition of windstorm and wildfire to the previous bill's earthquake peril
 - Bipartisan and multi-state support for this effort

Other Updates – CRMP

- CRMP Call Center
 - 137 calls per day on average.
- 2020 EBB Registration
 - Applications have surpassed the 5,100-retrofit cap.
 - Grant applications for additional funding have been submitted.

EBB ZIP Codes

- EBB ZIP Code Lookup charts for Northern and Southern California are posted on the website.
- Cities and ZIP Codes in red indicate that they are new to this round of the program.

Geographic Information System (GIS)

- ArcGIS fault zone charts for Northern and Southern California and the Bay Area were reviewed.

EBB 2020 Marketing Efforts

Ms. Maffei reminded the Board of the requirements of AB 548, which was passed in 2019, to provide outreach to low-income households in EBB program communities, dedicate

10 percent of the total funds with a first-come, first-served supplemental grant that is 90 percent of the retrofit costs after the EBB grant. She pointed out areas in the EBB marketing efforts where the AB 548 requirements are being met.

Ms. Maffei showed the Board three testimonial videos, which are available on the website and on YouTube.

Annde Ewertsen, Managing Director, CRMP, reviewed the new EBB infographics – one for homeowners and one for contractors. She explained that an infographic is an interactive design that advertises the program.

Questions and Discussion

Mr. Ziemer asked if the designated low-income level is based on an individual's income or the county. Ms. Maffei stated it is based on the median income.

Mr. Pal asked if the letters targeted to policyholders include information on discounts they will receive on premiums. Ms. Maffei stated they do.

Mr. Dyce asked about native network advertisements. Ms. Ewertsen stated it is paid content that looks like it was written by a journalist.

Ms. Curry asked about statistics on loss avoidance due to the retrofits being made.

Ms. Maffei stated the Pacific Earthquake Engineering Research Institute (PEER) project is working on loss functions to enable that calculation, which, should be available in the next few months.

Ms. Curry asked if Imperial and San Diego County ZIP Codes can be included in the program. Ms. Maffei stated proximity to fault lines and number of older homes is taken into account in choosing ZIP Codes to include in the program. Imperial and San Diego counties fell lower on the list.

4. CRMP Treasurer Benjamin Kirwan will review the CRMP financial statements as of December 31, 2019.

Benjamin Kirwan, CRMP Treasurer, provided an overview, with a slide presentation, of the CRMP financial information as of December 31, 2019.

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

Ms. Ewertsen provided an overview of the CEA and CRMP Earthquake Brace + Bolt Programs, EBB program contractors, overall retrofits, regional differences and costs, and withdrawn and outstanding applications. She noted that approximately 30 contractors were removed from the directory after staff spoke with the Contractors State License Board Classification Deputy, where it was determined that License Types A and B were the only license types that should be allowed to do this type of retrofit. She stated two \$5 million grant applications have been submitted and two pre-disaster mitigation grant applications were submitted in January – one for \$10 million and one for \$4 million.

6. CRMP Managing Director Annde Ewertsen will present the CRMP Business Plan update, Board to review and update.

Ms. Ewertsen stated the governing board is required by the CRMP Joint Exercise of Powers Agreement to review and update the CRMP business plan annually. The business plan was

last updated in December of 2018. She stated staff has reviewed the business plan and believes no changes or updates are needed at this time.

Questions and Discussion

Mr. Ziemer referred to the second paragraph on page 1 of the business plan and stated the purpose of the CRMP program is not only to accept and disburse funds but to solicit funds to be used toward retrofitting homes.

Mr. Ziemer referred to 1(C), Management Team, on page 3 of the business plan and asked if there is an approval process for each grant/application. Ms. Maffei deferred to counsel to answer this question.

Seth Merewitz, Counsel, CRMP, stated staff does not currently require Board approval to solicit grants.

Mr. Ziemer stated the Board granted authority to the Executive Director some time ago. He asked if that authority belongs in the business plan in the Executive Director's list of duties as part of the approval process.

Mr. Ziemer asked if approving the budget also approves the marketing plan. If so, it should be made more transparent.

Mr. Ziemer referred to the middle of page 4 of the business plan, where it states "under its overall authority and responsibility to administer CRMP, the governing board will retain the following powers." He asked a series of questions:

- Does Item 2 under that section include the marketing plan, even though Item 5 specifically calls that out?
- Is Item 4 under that section still part of the Board's duties because the Board does not currently approve ZIP Codes?
- Is the Board currently approving ZIP Codes as part of another item?

Mr. Ziemer stated he would like to see ZIP Codes as part of the agenda, if it is one of the Board's duties. He stated the documentation needs to support the practice.

Mr. Ziemer asked staff to review the business plan again to see if changes are necessary because the Board duties have changed over time. Ms. Maffei stated she is amenable to whatever the Board decides as long as there is understanding that, if funding becomes available in a FEMA grant where applicants do not use all their funding, staff can use those funds for additional applications, if action is taken quickly. She asked that the Executive Director maintain some authority to respond quickly.

Ms. Ewertsen stated the Board approved the process for how the ZIP Codes are selected. Mr. Ziemer agreed that the process was approved five years ago but back then the ZIP Codes were brought before the Board on an annual basis and there was logic to it.

Ms. Maffei stated CRMP does not do means testing; it is a matter of going down the ZIP Code list.

Mr. Ziemer asked if every county is represented on the ZIP Code list. Ms. Ewertsen stated every county is represented that has a high-risk ZIP Code, based on the USGS in combination to the pre-1940 house.

Mr. Ziemer suggested that staff present a ZIP Code list at the next meeting for pre-approval by the Board in case a grant should fund for ZIP Codes in a county that have not yet been identified.

Mr. Dyce asked for verification that Mr. Ziemer is asking staff to review the business plan, perhaps update it to reflect more closely what the Board is currently doing, and bring it back to the Board at a future meeting.

Mr. Ziemer stated that is correct. He asked if additional grants may be approved in 2020. Ms. Ewertsen stated no more are anticipated at this time. If any outstanding grants do come in, they will allow for an additional 2,000 to 3,000 retrofits to be completed.

Ms. Curry asked to update Item B(4)(a) under Contractor Training and Requirements to reflect the new contractor requirements.

Mr. Pal stated the business plan allows staff to approve up to \$100,000 per contract. He asked if marketing firms were offered a flat rate or if they developed a strategy for CRMP. Ms. Ewertsen stated they develop a strategy for over a three-year period.

Mr. Pal suggested a briefing for next year on what each vendor intends to do so Board members can weigh in on the strategy behind the marketing not just the marketing and the price. This would be a way to fulfil the requirement laid out in the business plan.

Mr. Ziemer asked about Item 2, Program Funding, on page 5 of the business plan. Mr. Merewitz stated that section was changed to be more expansive to allow access to more funding.

7. 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.

8. Adjournment.

There being no further business, the meeting was adjourned at 2:12 p.m.