



Office of the City Manager

CONSENT CALENDAR
April 12, 2022

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Jordan Klein, Director, Planning and Development Department
Subject: Revenue Grant: FEMA Hazard Mitigation Grant Program

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to submit a letter of commitment of matching funds in the amount of \$1.25 million, comprising at least \$910,000 from property owner funds, with the remainder through in-kind City staff time, for a Hazard Mitigation Grant application in the amount of \$3.75 million for the Retrofit Grants Program to the Federal Emergency Management Agency (FEMA), and subject to its award, to accept the grant and execute any resultant revenue agreements and amendments including any additional funding allocations from the Hazard Mitigation Grant Program and designating the applicant's authorized agent.

FISCAL IMPACTS OF RECOMMENDATION

The City of Berkeley has been deemed eligible to apply for a grant of up to \$3.75 million as part of FEMA's Hazardous Mitigation Grant Program for *City of Berkeley Retrofit Grants for Seismically Vulnerable Buildings - Round 3*. FEMA requires applicants to provide a letter committing to expend matching funds equating to 25% of the award amount, over the three-year grant duration, for what will become a total project amount of \$5 million. The City match portion of \$1.25 million would include at least \$910,000 from the property owners receiving grants, who are required to fund a portion of their retrofit costs, which is considered local match by FEMA. The only City funds used to fulfil the match obligation will be in-kind expenditures for the staffing and administrative costs of plan check, inspections and other aspects of the review and approval of the retrofit projects. These would total no more than \$340,000, from permit fees collected in the Permit Service Center Fund 833.

The project would provide \$2,730,000 in grants to property owners to retrofit seismically vulnerable buildings, including soft story and other weak residential buildings, unreinforced masonry, tilt-up and non-ductile concrete buildings.

A portion of the project funds will offset City of Berkeley personnel costs for a Community Services Specialist and the Resilient Buildings Program Manager who will manage the project.

CURRENT SITUATION AND ITS EFFECTS

The California Office of Emergency Services anticipates disbursing approximately \$428 million of Hazard Mitigation Grant Program (HMGP) funding in California, aimed at reducing or eliminating risks of future disasters. Berkeley submitted a Notice of Interest for a project to provide retrofit grants for seismically vulnerable buildings and was invited to develop a full application for HMGP funding. The proposed project must be in conformance with Berkeley's FEMA-approved Local Hazard Mitigation Plan. This project would fulfill Berkeley's approach, as described in that plan, to encourage local residents and businesses to upgrade the hazard resistance of their own properties. The project would also advance the priority of reducing hazard vulnerabilities in Berkeley buildings, would help retain existing affordable housing by making it more resistant to earthquake damage, and help to advance Berkeley's Strategic Plan goal of creating a resilient, safe, connected, and prepared city.

A new \$3.75 million FEMA grant would allow the Retrofit Grants Program to support additional seismic retrofits in Berkeley and allow greater flexibility in grant dispersal. Grant sizes will be based on the project size and complexity, building type, and benefit to the community. Design grants will not exceed 75% of design costs, and will be disbursed after the owner has completed design, applied for a building permit, and obtained City-approved plans for an eligible scope of work. Construction grants will typically not exceed 40% of actual construction costs, though grants up to 75% of the total retrofit costs may be offered for high priority projects. Increased grant amounts would reflect the increased complexity and size of retrofit projects that are expected to participate in future rounds of the program, as well as the likelihood that incentivizing voluntary seismic retrofits of larger projects will require larger grant sizes. In all cases, property owners will be required to pay a portion of the project costs, which will be used toward FEMA's local match requirement.

This project will be managed by staff in the Building and Safety Division of the Planning & Development Department. A Community Services Specialist will conduct outreach to property owners and assist participants with applying for grants and meeting program requirements. Staff throughout the Building and Safety Division will assist with property retrofits, including plan review, permit issuance, inspection for code compliance, monitoring progress and compliance with state and federal requirements, and problem solving for difficult projects.

BACKGROUND

In early 2017, hazard mitigation grant funding enabled the City of Berkeley to launch the Retrofit Grants Program, a groundbreaking program that encourages individual property

owners to strengthen their buildings, increase public safety and mitigate the risk of future damage caused by earthquakes. Grant funding was used to incentivize both mandatory and voluntary retrofits of seismically vulnerable buildings through disbursement of design and construction grants to qualifying property owners.

The initial Retrofit Grants Program led to the strengthening of 61 buildings within the City of Berkeley and disbursement of \$1,561,843 to individual property owners. A total of 45 design grants and 52 construction grants were approved and distributed to eligible participants. The City sought and was awarded additional hazard mitigation grant funding in 2020, and a second Retrofit Grants Program was launched in September 2020. This second program is underway and is scheduled to conclude in January 2023. Through this program, the City seeks to disburse \$3 million to Berkeley property owners and strengthen an additional 50-60 seismically vulnerable buildings.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Retrofitted buildings will be less likely to suffer damage in the event of a major earthquake, and as a result will be less likely than non-retrofitted structures to create additional environmental impacts from demolition and rebuilding efforts.

RATIONALE FOR RECOMMENDATION

If the City receives funding under FEMA's Hazardous Mitigation Grant Program, more seismically vulnerable structures in Berkeley are likely to be retrofitted, affordable housing within the City will be retained, safety for tenants and other community members will be increased, and Berkeley will be more resilient in the event of a major seismic event.

ALTERNATIVE ACTIONS CONSIDERED

Staff has considered larger grant award amounts to upgrade individual properties.

CONTACT PERSONS

Galadriel Burr, Community Services Specialist II, Planning and Development Department, 510-981-7475

Jenny McNulty, Resilient Buildings Program Manager, Planning and Development Department, 510-981-7451

Attachments:

1: Resolution

Exhibit A: Cal OES 130 – Designation of Applicant's Agent Resolution

RESOLUTION NO. ##,###-N.S.

AUTHORIZING THE CITY MANAGER TO COMMIT MATCHING FUNDS FOR A HAZARD MITIGATION GRANT APPLICATION FOR THE RETROFIT GRANTS PROGRAM TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) AND SUBJECT TO ITS AWARD, TO ACCEPT THE GRANT AND EXECUTE ANY RESULTANT REVENUE AGREEMENTS AND AMENDMENTS, INCLUDING ANY ADDITIONAL FUNDING ALLOCATIONS FROM THE HAZARD MITIGATION GRANT PROGRAM.

WHEREAS, as a result of the declaration of a major federal disaster for DR-4482, the State of California is eligible for Hazard Mitigation Grant Program (HMGP) funding aimed at reducing or eliminating future damages; and

WHEREAS, federal funding is provided under the Robert T. Stafford Emergency Assistance and Disaster Relief Act (Stafford Act) through FEMA and the California Governor's Office of Emergency Services (Cal OES); Cal OES is responsible for identifying program priorities, reviewing applications and forwarding recommendations for funding to FEMA; FEMA has final approval for activity eligibility and funding; and

WHEREAS, the federal regulations governing the HMGP are found in Title 44 of the Code of Federal Regulations (44 CFR) Part 206, and the Uniform Administrative Requirements for Federal Awards are found in 2 CFR Part 200; and

WHEREAS, a Notice of Interest was approved for Retrofit Grants for Seismically Vulnerable Buildings and the City of Berkeley is submitting a full application for HMGP funding on or before April 8, 2022; and

WHEREAS, a letter committing at least 25% matching funds, is required as part of the grant application; the matching funds must be from a non-federal source; and

WHEREAS, the match will consist of \$1.25 million over the three-year grant period; \$910,000 would be provided by eligible property owners who participate in the grant program in the form of construction costs; up to \$340,000 would be provided by staff time charged to the Permit Service Center Fund 621, funded from plan review and permit fees during Fiscal Years 2023, 2024, 2025 and 2026, that will be used to support project management and other personnel expenses associated with projects receiving grant funds; and

WHEREAS, the Permit Service Center Fund has an adequate fund balance to provide matching funds; and

WHEREAS, the \$3.75 million grant will be used to provide up to \$2,730,000 in grants to owners of hazardous buildings to reimburse them for a portion of retrofit costs and \$1,020,000 to support the Planning Department's costs to operate the program.

WHEREAS, on December 13, 2016, the Berkeley City Council authorized the City Manager to accept a previous \$3 million HMGP to provide Retrofit Grants for seismically vulnerable buildings; and

WHEREAS, on June 12, 2018, the Berkeley City Council authorized the City Manager to accept a previous \$4.5 million HMGP to provide additional Retrofit Grants for seismically vulnerable buildings, and this grant would allow the City to increase the grant funding available to support seismic retrofits by Berkeley property owners.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to submit a letter of commitment to provide \$1.25 million in local matching funds for the City of Berkeley's application for a \$3.75 million Hazard Mitigation grant from FEMA, and to accept the grant and execute any resultant revenue agreements and amendments including any additional funding allocations from the Hazard Mitigation Program.

BE IT FURTHER RESOLVED that the City Manager or Deputy City Managers are authorized to provide Cal OES Form 130 (Exhibit A) to the California Governor's Office of Emergency Services for all matters pertaining to disaster assistance required under DR-4482 assurances and agreements.

Exhibit A: Cal OES 130 – Designation of Applicant's Agent Resolution

**DESIGNATION OF SUBRECIPIENT'S AGENT RESOLUTION
Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program**

BE IT RESOLVED BY THE _____ OF THE _____
(Governing Body) (Name of Applicant)

THAT _____, OR
(Title of Authorized Agent)

_____, OR
(Title of Authorized Agent)

(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the _____, a public entity
(Name of Subrecipient)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Service. for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the _____, a public entity established under the laws of the State of California,
(Name of Subrecipient)

hereby authorizes its agent(s) to provide to the California Governor's Office of Emergency Service for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

This is a universal resolution and is effective for all open and futures Disasters/Grants up to three (3) years following the date of approval below.

This is a Disaster/Grant specific resolution and is effective for only Disaster/Grant name/number(s) _____

Passed and approved this _____ day of _____, 20_____

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, _____, duly appointed and _____ of
(Name) (Title)

_____, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the _____ of the _____
(Governing Body) (Name of Applicant)

on the _____ day of _____, 20_____.

(Signature)

(Title)

Cal OES Form 130
Instructions

A new Designation of Applicant's Agent Resolution is required if the previously submitted document is older than three (3) years from the last date of Board/Council approval.

When completing the Cal OES Form 130, Subrecipients should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the individual or group responsible for appointing and approving the Authorized Agents. Examples include: Board of Directors, City Council, Board of Supervisors, etc.

Name of Subrecipient: This is the official name of the non-profit, agency, city, county or special district that has applied for the grant. Examples include: City of Sacramento; Sacramento County; or Los Angeles Unified School District.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the California Governor's Office of Emergency Service regarding grants applied for by the subrecipient. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents should be entered here, not their names. This allows the document to remain valid if an Authorized Agent leaves the position and is replaced by another individual. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency (e.g.; City Clerk, the Authorized Agent, Secretary to the Director) and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names and titles of the Authorized Agents should be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving board members. Examples include: Chairman of the Board, Superintendent, etc. The names and titles cannot be one of the designated Authorized Agents.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval. Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person cannot be one of the designated Authorized Agents to eliminate "Self Certification."

