



Advisory Committee for the South Carolina Building Codes Council, Loss Mitigation Grant Program and South Carolina Comprehensive Hurricane Damage Mitigation Grant Program

Location: Independent Insurance Agents and Brokers of SC, 800 Gracern Road, Columbia, SC 29210

Meeting Minutes

April 21, 2010

Call to Order:

Ann Roberson called the meeting to order at 2:05 p.m. The following committee members were in attendance: Gary Mason, Carl Simmons, Gary Wiggins, Allison Dean Love, Bruce White, Frank Sheppard, Gray Warr, Lisa Jones, Ann Roberson, Frank Hodge, Emily Dzubian, Dave Starnes, and Todd Hiott. Charlotte Harrison and Joseph McDonald, staff members for SC Safe Home were also in attendance.

Approval of March 17, 2010 Minutes:

The Advisory Committee reviewed the minutes from the March 17, 2010 meeting, made corrections and adopted the minutes with changes noted.

Review of Applications:

Ms. Roberson asked the Advisory Committee to review the synopsis before them. She noted that it was distributed to them earlier in the day and that the application subcommittee is planning to meet and review next month's applications the week prior to the scheduled Advisory Committee meeting so as to allow more time for review. Gray Warr recommended the applications outlined in the synopsis be approved by the Advisory Committee. Mr. Simmons seconded the motion. The motion carried and all applications listed were approved.

As an aside, Ms. Roberson reported that she had received several calls from contractors and manufacturers alike, indicating that roofing shingle manufacturers will be increasing their costs up to twenty percent (20 %). They did not give a reason as to why. Mr. Simmons said that he had also heard this and understood that because the market is now turning around somewhat, the manufacturers are trying to make up some of their earlier losses. Ms. Roberson indicated that this could cause some delays and issues when staff request updated estimates. She added

that the homeowner will need to be aware of these increases prior to receiving a grant award as it will more than likely cause the estimates to increase.

Ms. Roberson then asked the Advisory Committee to review Application 1191. She indicated that both Ms. Jones and Mr. Simmons have reviewed the Plan of Operation and the Statute (H.3820). Additionally, Mr. Simmons visited and reviewed the property listed in the application. Ms. Roberson reminded the committee that this application concerns a duplex property. Mr. Simmons replied that duplexes are not mentioned or referenced in any of the legislation or the Plan of Operation. He went on to say that the Plan of Operation references "detached" but that Statute H.3820 does not. Mr. Simmons recommended the Advisory Committee remove the word "detached" from the Plan of Operation. Ms. Jones stated that she thinks the reference to "detached" was added in an attempt to reference the building code. Ms. Jones also stated that she researched and found a definition of a single-family residence in Section 27-40-210 and would like for the Advisory Committee to review and consider including it in the Plan of Operation.

A discussion of this issue continued. The following questions and concerns were raised and discussed: what other structures would this language then include, and would there be unintended consequences? Following a discussion, Ms. Roberson suggested that the Advisory Committee consider removing the word "*detached*" from the Plan of Operation and include the definition of a single-family home found in Section 27-40-120 be included. The definition is as follows: "*single family residence means a structure maintained and used as a single dwelling unit. Notwithstanding that a dwelling unit shares one or more walls with another dwelling unit, it is a single family residence if it has direct access to a street or thoroughfare and shares neither heating facilities, hot water equipment, nor any other essential facility or service with any other dwelling unit.*"

Ms. Roberson re-read the definition. Mr. Simmons made a motion to adopt the language referenced above. Mr. Gary Mason seconded the motion and stated that three points should be considered, to include the two referenced above as well as the addition of a statement that says that the program will not retrofit a portion of a roof under any circumstances. The motion carried and Mr. Simmons indicated he would provide language to address Mr. Mason's concerns. Mr. Simmons added that we (the Advisory Committee) do not have an obligation to enforce the building code but that we are clearly going to try and strengthen the home. He added that we should have language that references *obvious or apparent code violations* so that we can ensure that we utilize these funds in the most appropriate and efficient manner possible.

The Advisory Committee determined that they would review the updated language and asked staff to place Application 1191 as an Agenda item for the May 19th meeting.

Applications 1209, 1258 and 1344 were then discussed. For reference, the home in application 1209 was constructed in 2006. Mr. Wiggins was asked to explain his concerns regarding these applications. He provided an in depth explanation of the adoption of the statewide code and the amendment process local municipalities often utilize so as to strengthen or change the

code enforced by their jurisdiction. Mr. Wiggins indicated that the dates of construction were important especially in regard to applications SC Safe Home receives for opening protection retrofits. Mr. Wiggins explained that for the most part, we can use July 1, 2005 as the adoption of the 2003 IRC. Ms. Roberson stated that regardless of the date the property was constructed, these applications were for opening protection. Based on information Mr. Wiggins provided, plywood shutters were required by the IRC that was in effect at the time of the construction. However, we (the Advisory Committee) have already determined that SC Safe Home is a code-plus program and have determined that plywood shutters are no longer an approved retrofit measure under the grant guidelines. This determination has been in place for approximately two years. Ms. Roberson stated that in her opinion, when reviewing the enabling legislation, if the homeowner is requesting grant funds to actually strengthen their property and make it more resistant to hurricanes and the winds associated with them by installing a tested and approved shuttering system, then it is within the scope of the program and reflects the intent of the program.

Mr. Wiggins responded that he thought we would have a problem either way we decided to move on this issue and asked how the program will make the homes safer if awards are approved for houses that should have complied with the code and maintained their shuttering system? Mr. Hodges asked the members where we stop with the notation of code violations because there will be violations of all types in any home that you review. Ms. Roberson reminded everyone that some jurisdictions will not go out and inspect the property even now but the Program still requires the contractor to go through the permitting process. Mr. Wiggins asked if the money was intended to give someone money to help them make their home safer? Ms. Roberson said that she thought the intent was to strengthen the home to make it stronger therefore mitigate damages from hurricanes and high winds. Mr. Mason indicated that the program was for mitigation and that by saving a home, we were in fact minimizing costs.

Mr. Simmons responded by saying that these issues all interface. Ms. Jones moved that we table the discussions regarding these applications. Mr. Wiggins responded that we just awarded a grant in this round of applications that he would question. Ms. Jones suggested that we submit an IRC code amendment that says plywood shutters are not applicable methods of protection instead of awarding grants for sorts of situations. Ms. Jones asked the members if a homeowner removes the batteries from the smoke alarm, would they lose their (insurance) discount? Bruce White, Frank Sheppard and Allison Dean Love indicated that the insurance would still apply. Mr. White added that they would not be able to determine if in fact the batteries were removed prior to the loss if it melted and that the insurance would still apply. Mr. Mason indicated that he thought it was O.K. and if we are going to replace windows with impact resistant windows then we will be making the state of the home better. Ms. Love agreed with Ms. Jones in saying that homeowners could potentially game the system by purposely installing lesser quality windows and apply for grant funds to assist in defraying the cost for impact glass windows. Ms. Roberson reminded everyone that the grant awards do not exceed \$5,000 and as a general rule the opening protection applications we have received have included estimates of \$13,000 to \$26,000 or more.

Discussion continued about the overall purpose and intent of the program. Mr. Mason asked for a definition of the term mitigation. Mr. Warr stated that the term mitigation refers to the reduction or minimization of the severity of damages occurring from a given hazard. Ms. Roberson re-read the statute section that outlined the purpose of the grant funds found in Section 38-75-485 (C): *The Program shall develop and implement a comprehensive and coordinated approach for hurricane damage mitigation that includes the following: (1) The program administrator shall apply for financial grants to be used to assist single-family, site-built or manufactured or modular, owner-occupied, residential property owners to retrofit their properties to make them less vulnerable to hurricane damage...* Mr. Mason indicated that in his opinion, this language outlines our responsibilities. Ms. Roberson then asked where that leaves us regarding an application from a homeowner that has a more recently constructed home and wants to install a better system, utilizing grant funds. Mr. Mason responded that if it makes it less vulnerable to the winds associated with hurricanes and severe storms then it meets our responsibilities. Ms. Jones asked if she and Carl could go back and discuss the 50% issue and bring it back next month.

Following this discussion, Ms. Roberson indicated that the committee would hold these applications and discuss again next month. Mr. Simmons said that we need to discuss code compliance issues.

IV. Old Business:

The Advisory Committee moved to Item IV. Ms. Roberson provided an overview of the CE Day that was recently held in Myrtle Beach. Ms. Roberson said that it was successful and thanked all involved to include Drew Streett and the Coastal Carolinas Association of Realtors, Frank Sheppard and the Independent Agents and Brokers of South Carolina, Smitty Harrison and the South Carolina Wind and Hail Underwriting Association and others involved.

Ms. Roberson moved onto the next item, the upcoming Coastal Property Insurance Public Forum. She announced that it was scheduled for Thursday, April 29, 2010 in Myrtle Beach from 5:00-7:30 p.m. She added that the event would be held at the Horry-Georgetown Technical College, Grand Strand Campus Conference Center and that it was open to the public. Ms. Roberson asked if Ms. Jones was still interested in attending and setting up a display as she had indicated at the previous Advisory Committee meeting. Ms. Jones indicated she was unable to attend due to another commitment. Again, Ms. Roberson stated that it was open to the public and invited all interested to attend.

Ms. Jones requested an updated version of the SC Safe Home Annual Report. Regarding a request for a budget update, Ms. Roberson provided the following information: to date, 2,022 grants have been received, SC Safe Home has awarded 1,048 totaling approximately \$4,283,544.00. She also provided the total number of grants received by county. Mr. Hodge asked that staff provide this to the members of the Advisory Committee via e-mail.

Item V, New Business:

Ms. Roberson then moved to New Business and discussed the newsletter. She stated that Mr. Warr provided information to include in the newsletter from the Emergency Management Division. Ms. Love sent information to staff and Ms. Jones indicated that they would send flood information to staff also. There was a brief discussion regarding the status of the National Flood Insurance Program. Ms. Jones indicated that the federal hearings regarding the program were presently occurring in Washington. Mr. Mason distributed information about the new lead base paint abatement rules that would be enforced at the federal level. Ms. Roberson asked what, if anything we needed to do to comply. Mr. Simmons indicated that we could make the contractors aware of this federal regulation and mention it to the applicants if we desired to do so, as a courtesy. Ms. Love provided an update regarding the status of The Institute for Business & Home Safety Research Center located in Chester, SC. She indicated that all fans have been installed and would be able to simulate Cat. 3 winds.

Mr. Wiggins asked that we go back and re-address the three grants discussed earlier, grant numbers 1209, 1258 and 1344, since we approved a similar one in the synopsis we just reviewed earlier in the meeting. Mr. Wiggins said that to be consistent, we should move forward with applications 1209, 1258 and 1344 which were all for opening protection. Following a brief discussion, a motion was made by Gary Mason to un-table the earlier discussion of these applications. The motion was seconded by Bruce White. There was no discussion and the motion carried. A motion was then made by Frank Sheppard and seconded by Emily Dzubian to award the above applications based upon the approval of the other application in the earlier approved synopsis. Additionally, it was stated that we have awarded grants for similar retrofit projects in the past. The motion passed and these applications were awarded with the understanding that the discussion surrounding the construction date and intent of the program would resume at the May meeting. It should be noted that both Ms. Love and Ms. Jones abstained from the vote. A motion was made and the meeting was adjourned.

Respectfully submitted,

Ann Roberson