

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 19, 2008  
POSITION: Oppose  
SPONSOR: City of Oakland

BILL NUMBER: SB 1508  
AUTHOR: E. Corbett

**BILL SUMMARY: Seismic Safety Standards: Cripple Walls**

This bill would require the Department of Housing and Community Development (HCD) to develop statewide residential building standards for seismic retrofitting of cripple walls, which connect the foundation of first floor walls and the floor in many older wood frame homes.

**FISCAL SUMMARY**

HCD staff indicates that this bill would result in costs of \$230,000 per year, for two years, to develop the seismic retrofitting standards. Given HCD's limited funding for the State Housing Program, HCD could not absorb these costs, which would create pressure for General Fund resources.

**COMMENTS**

Finance opposes this bill because of the significant costs for HCD to implement and the lack of an identified funding source. While developing standards for the strengthening of cripple walls may provide value to the state, funding is limited within HCD's State Housing Program and the costs imposed by this bill could not be absorbed.

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Analyst/Principal (0741) E. Harper	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

E. Corbett

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SB 1508

**ANALYSIS**

A. Programmatic Analysis

**Existing law** requires the Department of Housing and Community Development (HCD) to develop statewide residential building standards through the State Housing Law program.

**This bill** would:

- Require HCD to develop building standards for the seismic retrofit of cripple walls in residential buildings with wood frame construction. These standards would be developed in consultation with several state agencies as well as industry groups and local government organizations.
- Require the qualifying examinations for general contractors, carpenters and framers to ensure sufficient knowledge of the standards adopted to perform the seismic retrofit of cripple walls.
- Require HCD to submit seismic retrofit guidelines and standards to the International Code Council for adoption into model codes.

**Discussion:** According to the author's office, this bill would address the need to develop uniform seismic retrofitting standards for cripple walls in older homes. Cripple walls connect the foundation of the first floor walls and floor in many older wood frame homes. Citing the Association of Bay Area Governments, only five to ten percent of older homes have been strengthened enough to withstand violent shaking from earthquakes. One of the reasons cited for the retrofitting problems is that there are no common standards for contractors to use when retrofitting older homes for seismic standards.

B. Fiscal Analysis

HCD staff indicate that this bill would result in costs of approximately \$230,000 per year and 0.5 positions for two years. These costs would be related to holding hearings and focus groups for the development of the seismic retrofitting standards, hiring of contract structural engineers to help develop the seismic retrofitting standards, developing draft standards, coordinating with multiple public and private entities involved, and working with the California Building Standards Commission and the Contractors State Licensing Board.

The State Housing Law program within HCD, which develops residential building standards, is supported by a base budget of \$576,000 (General Fund). The costs imposed by this bill could not be absorbed. While the bill specifies that HCD shall only adopt the seismic retrofit guidelines and standards to the extent that funds are available, there does not appear to be any feasible funding source to implement this bill given the limited base budget of the State Housing Law Program and the existing demands on the General Fund.

There would be additional, undetermined costs for adoption of the standards through the California State Building Standards Commission.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								
	SO	(Dollars in Thousands)							
	LA	PROP		2007-2008		2008-2009		2009-2010	
CO	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	Code	
RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	Code	
2240/HCD	SO	No		--	C	\$230	C	\$230	0001