



RESOLUTION NO. 26900

BE IT RESOLVED that, on recommendation of Management, the Board of Airport Commissioners approved a Letter of Agreement with the City of Inglewood for Residential Sound Insulation - Grant Implementation Plan 15, and release by Los Angeles World Airports of \$9,275,000 in funds to implement the Residential Sound Insulation Program, as referenced in the Board-adopted staff report attached hereto and made part hereof; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Sean O. Burton
President

Valeria C. Velasco
Vice President

Gabriel L. Eshaghian
Beatrice C. Hsu
Nicholas P. Roxborough
Dr. Cynthia A. Telles
Karim Webb

Deborah Flint
Chief Executive Officer

BE IT FURTHER RESOLVED that said Board authorized the Chief Executive Officer to execute said Letter of Agreement after approval as to form by the City Attorney and approval by the Los Angeles City Council; and

BE IT FURTHER RESOLVED that said Board requests Los Angeles City Council approval to not obtain any easements; and

BE IT FURTHER RESOLVED that this item is administratively exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines; and

BE IT FURTHER RESOLVED that this action is subject to the provisions of Los Angeles City Charter Sections 373.

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I hereby certify that this Resolution No. 26900 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, November 21, 2019.

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS





REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

Samantha Bricker

Approved by: Kathryn Pantoja, Airport Environmental Manager II

Samantha Bricker

Reviewed by: Samantha Bricker, Chief Environmental and Sustainability Officer

J. Timothy G.

City Attorney

BT

Deborah Flint – Chief Executive Officer

Meeting Date:

11/21/2019

CAO Review:

- Completed
- Pending
- N/A

Reviewed for	Date	Approval Status	By
Finance	11/13/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW
CEQA	11/5/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	PI
Procurement	11/4/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond	LK
Guest Experience	11/6/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY
Strategic Planning	11/5/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	KV

SUBJECT: Execute a Letter of Agreement with the City of Inglewood and Authorize the Release of Funds for the Residential Sound Insulation Program

Authorize the Chief Executive Officer to enter into a Letter of Agreement with the City of Inglewood for Residential Sound Insulation - Grant Implementation Plan 15 - and authorize the release of funds in the amount of \$9.275 million to implement the Residential Sound Insulation Program.

RECOMMENDATIONS:

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is administratively exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
3. AUTHORIZE the Chief Executive Officer to execute the Letter of Agreement upon approval as to form by the City Attorney.
4. APPROVE the release of \$9.275 million to the City of Inglewood to implement the Residential Sound Insulation Program as per the terms in the Letter of Agreement.

5. REQUEST City Council approval to not obtain any easements.

DISCUSSION:

1. Purpose

Approve the Letter of Agreement (LOA) and release \$9.275 million to the City of Inglewood (Inglewood) for construction and sound mitigation elements for the Residential Sound Insulation (RSI) Program's Grant Implementation Plan (GIP) Number 15.

2. Prior Related Actions

- **February 6, 2001 - Resolution 21292**
BOAC authorized the Chief Executive Officer to execute a Memorandum of Understanding with a 10-year term between LAWA and City of Inglewood to pursue and implement certain measures, including suspension of the easement requirement for homeowners receiving LAWA funds for sound insulation within the term of the MOU.
- **July 19, 2001 – Resolution 21481**
BOAC authorized this amendment to the Land Use Mitigation Program (LUMP) supplemental funding policy, which established the framework for LAWA to provide funds to local jurisdictions to use as the local match to obtain federal grants to mitigate eligible properties via acquisition or sound insulation and to comply with California Airport Noise Standards. This policy was initially adopted through Resolution No. 15844, on May 20, 1987, and was amended by Resolution No 17656 on June 26, 1991, Resolution No. 18062 on May 27, 1992, Resolution No. 19357 on November 21, 1995, and resolution No. 20007 on October 21, 1997.
- **December 6, 2004 - Resolution 22554**
BOAC approved a Cooperation Agreement and Community Benefits Agreement (CBA), which included proposals for noise mitigation and benefits, including a specific annual funding amount (\$4.275 million) and modified easement requirements. The CBA will expire on December 31, 2020.
- **February 16, 2006 – Stipulated Settlement Agreement**
BOAC entered into a Stipulated Settlement Agreement with a term from February 16, 2006 through December 31, 2015 which detailed various commitments for noise mitigation and eliminated the easement requirement for mitigated properties below the 75 dB CNEL noise level.
- **November 6, 2014- Resolution 25557**
BOAC authorized a Letter of Agreement for Grant Implementation Plan (GIP) 12 in the amount of \$18.42 million for sound insulation work to mitigate 746 units.
- **January 15, 2015 –Resolution No. 25609**
BOAC authorized a Letter of Agreement for GIP 14 in the amount of \$44.37 million for sound insulation work to mitigate 1,030 residential units.

3. Background

The City of Inglewood established its Noise Compatibility Program in 1984, starting with Property Acquisition, and then adding Residential Sound Insulation (RSI) into their program in 1991. The RSI Program is implemented by Inglewood and is funded by FAA and LAWA. Participation in the program is voluntary and property owners may choose not to participate in the program. Inglewood separated the impacted areas into six sections and implemented the RSI Program in six phases.

Since its inception, the Inglewood RSI Program has received \$209.6 million in FAA Airport Improvement Program (AIP) Grants and \$130.1 million in grants from LAWA for a total of \$339.7 million. So far, the Inglewood RSI Program has mitigated 7,739 dwelling units or 69% of its 11,156 eligible units. This action would add 1,026 units as proposed in the GIP 15.

4. Current Action

Staff requests authorization by the Board of Airport Commissioners to enter into a Letter of Agreement (LOA) with Inglewood for GIP 15, and to approve release of \$9.275 million to implement this Inglewood RSI Program project. LAWA funds will be the local match for FAA funds (\$20 million from AIP Grant 3-06-139-96 awarded to Inglewood in 2018 and \$4.4 million from AIP Grant 3-06-139-99 awarded in 2019). The total funding available for this Program, including both LAWA and FAA grants, as well as balances from prior funds, is just over \$45 million to sound insulate 1,026 dwelling units by the end of 2021. GIP 15 includes \$1 million in contingency funds.

Total Available Funds for GIP 15:

FAA	AIP 92 (2017 Balance)	\$	10,110,995
	AIP 96 (2018)	\$	20,000,000
	AIP 99 (2019)	\$	4,428,903
	Total FAA Funds	\$	34,539,898
LAWA	GIP14 Balance	\$	1,244,958
	AIP 92 & AIP 96 (Local Match)	\$	9,275,000
	Total LAWA Funds	\$	10,519,958
Total Available funds for GIP 15		\$	45,059,856

The requested \$9.275 million matches the \$20 million 2018 FAA AIP Grant by 20% (\$5 million) and the \$4.4 million 2019 FAA AIP Grant with the CBA required amount (\$4.275 million). LAWA provides at least a 20% match for the FAA AIP grants received by the local jurisdictions. However, during the term of the CBA, if the 20% match is less than the \$4.275 million specified in the CBA for sound insulation, then LAWA provides that minimum CBA funding amount.

The estimated cost breakdown for GIP 15 is shown in the table below, including just over \$1 million in contingency funds. The estimated cost per unit regardless of dwelling type is approximately \$43,918 based on recent design, and including construction, acoustic testing, and administration costs.

Total Cost Estimate for GIP 15:

	Total Estimated Cost	Single Family 393 Units	Duplex 32 Units	Multi Family 601 Units
Est. Administrative cost	\$ 6,331,673	\$ 2,425,290	\$ 197,479	\$ 3,708,904
Est. Design Cost	\$ 2,928,299	\$ 1,121,659	\$ 91,331	\$ 1,715,310
Est. Construction Cost	\$ 34,676,479	\$ 13,282,511	\$ 1,081,528	\$ 20,312,440
Contingency	\$ 1,123,404			
Total Cost	\$ 45,059,856	\$ 16,829,460	\$ 1,370,338	\$ 25,736,654

Between 2015 and 2017, there was no construction activity in the Inglewood RSI Program due to new FAA guidelines and regulations governing the RSI programs that went into effect in late 2015. These new regulations required all programs in the country to update their sound attenuation design specifications and to initiate an acoustic qualifying test for homes in the contours to ensure interior noise levels were at 45 dB or higher to receive sound insulation treatment. After completing the new design specifications, and preliminary work to conduct acoustic testing in all eligible dwelling units, Inglewood restarted its RSI Program with GIP 15 in 2018 with the first phase of 1,026 homes, and initiated acoustic testing and then design.

LAWA last provided funding to Inglewood for their RSI program in 2015. A balance of \$1.24 million was available after GIP 14 was completed. Inglewood used their own funds (\$1.46 million from the City of Inglewood General Fund), the remaining \$10.1 million from FAA 2017 AIP Grant funds, and \$1.24 million remaining from GIP 14 to move ahead with dwelling units in GIP 15. This was done with the understanding that, once Inglewood was approved for another FAA grant, LAWA would provide its local match. So far, 41 dwelling units have been completed, 430 units are in design, and 596 units are in construction. This action, if approved, would reimburse the Inglewood RSI Program for those incurred expenses.

The City of Inglewood anticipates completing its total RSI Program in five years. After mitigating the requested 1,026 dwelling units identified in GIP 15, Inglewood will have about 2,390 dwelling units remaining within the noise impact area. All of these homeowners were previously contacted by Inglewood to take part in this voluntary program, but did not participate for various reasons. The Inglewood RSI Program anticipates that maybe half of these remaining homeowners may take advantage of this final offer, which would mean mitigating an additional 1,200 dwelling units to complete the RSI Program. Inglewood plans to apply to the FAA for AIP Grants in 2020 and 2021 and to request matching funds from LAWA. Completing the RSI Program by 2024 will depend on obtaining sufficient funding from both FAA and LAWA over the next few years.

Based upon previous Settlement Agreements and Memorandum of Understandings that have been in place since the beginning of the City of Inglewood's RSI Program, LAWA has not received noise or avigation easements in exchange for the sound insulation of residential dwellings. In keeping with this prior policy, this Letter of Agreement will not require noise or avigation easements in exchange for residential sound insulation from the City of Inglewood.

Inglewood complies with Federal Equal Employment opportunity and Affirmative Action requirements. Disadvantaged Business Enterprises (DBEs) as defined in 49 CFR Part 26 must have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds. Inglewood also supports the use of race neutral measures to facilitate participation by DBEs and other small businesses, and encourages prime contractors to subcontract portions of their work. Inglewood has a mandated DBE goal of 17.5% and contractors have met or exceeded this goal.

Inglewood has demonstrated their commitment to the RSI Program and is working well with LAWA. Staff recommends authorizing the LOA with Inglewood for GIP 15.

How this action advances a specific strategic plan goal and objective

This action advances the following strategic goal and objective: *Sustain a Strong Business: Operate sustainability – balancing economic, social and environmental responsibilities.* This Action if approved will construct 1,026 sound insulated dwelling units in our neighboring jurisdiction of the City of Inglewood by the end of 2021 and will meet our objectives of addressing noise impacts from aircraft in the approved noise contour.

Action Requested

Staff recommends the Board authorize the Chief Executive Officer to enter into a Letter of Agreement with the City of Inglewood, for the Residential Sound Insulation Program, and to release \$9.275 million to the City of Inglewood.

Fiscal Impact

PFC Funding for this program was approved by the FAA in PFC Application #97-04-C-04-LAX Noise Mitigation (Other Local Jurisdictions) for \$178.3 million. The requested \$9.275 million is the allocation required for the City of Inglewood RSI Program and is included as part of this overall budget set aside for residential sound insulation for local jurisdictions.

5. Alternatives Considered

- ***Defer or Eliminate This Item***

The City of Inglewood is an approved party in the Community Benefits Agreement, and FAA has approved PFC funding for this Program. Deferring this item at this point has potential legal and financial ramifications.

APPROPRIATIONS:

Staff requests that funds in the not to exceed amount of \$9.275 million be appropriated and allocated from the LAX Revenue Fund to WBS Element 1.15.06-700 (City of Inglewood Residential Soundproofing Program) as may be required with funding to be reimbursed by Passenger Facility Charges, subject to eligibility.

STANDARD PROVISIONS:

1. This item, as a continuing administrative, maintenance and personnel-related activity, is administratively exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. This agreement will be approved as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.
4. This action is not subject to the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.
5. This action is not subject to the provisions of the Business Enterprise (BE) Programs.
6. This action is not subject to the provisions of the Affirmative Action Program.
7. This action does not require a Business Tax Registration Certificate number.
8. This action is not subject to the provisions of the Child Support Obligations Ordinance.
9. This action is not subject to the insurance requirements of the Los Angeles World Airports.
10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractor).
11. This action is not subject to the provisions of the Contractor Responsibility Program.
12. This action is not subject to the provisions of the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
15. This action is not subject to the provisions of the Iran Contracting Act.