Resolution retroactively authorizing the Airport Commission to accept and expend grants in an amount not to exceed $7,777,039, and any additional amounts up to 15% of the original grant, that may be offered from the Federal Aviation Administration for the continuation and expansion of the Noise Insulation Program, contingent on receipt by the Airport Commission of one or more grant offers from the Federal Aviation Administration for the period of October 1, 2019 through September 30, 2024

WHEREAS, The continuation and expansion of the Noise Insulation Program (“NIP”) to be implemented at San Francisco International Airport (the “Airport”) is eligible for federal grant assistance under the Federal Aviation Administration (“FAA”) Airport Improvement Program (“AIP”); and

WHEREAS, The San Francisco Airport Commission (the “Airport Commission”) manages the NIP, which provides noise insulation to eligible properties located within the minimum noise thresholds (defined as 65 decibels Community Noise Equivalent Level) on the Airport Noise Exposure Map or part of contiguous neighborhoods partially within this area; and

WHEREAS, On October 3, 2017, by Resolution No. 17-0240, the Commission approved the implementation of the Replacement and Second Chance Acoustic Treatment Initiative, which provides for (1) the acoustic treatment of properties not previously insulated because owners did not participate in the NIP, which is eligible for AIP grant funding, and (2) the replacement of failed noise insulation of properties previously insulated under the NIP using funds from the Airport’s operating budget, which is not eligible for AIP grant funding; and
WHEREAS, The Airport Director has filed a grant application to seek federal grant assistance under the AIP during federal fiscal year 2019/20 in an estimated amount of $7,777,039 for the continuation and expansion of the NIP; and

WHEREAS, On March 17, 2020, pursuant to Resolution No. 20-0054, the Airport Commission approved the acceptance and expenditure of such grant funds; and

WHEREAS, Under Administrative Code Section 10.170-1, the acceptance and expenditure of federal, state, or other grant funds in the amount of $100,000 or more is subject to the approval by resolution of the Board of Supervisors; and

WHEREAS, The onset of COVID-19, a new coronavirus causing severe upper respiratory illness, has resulted in a substantial decrease in passenger levels and revenues at the Airport in Fiscal Year 2019-2020; and

WHEREAS, The federal Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted on March 27, 2020 to provide financial relief to various governmental and corporate entities, including airports; and

WHEREAS, The FAA will award and administer the CARES Act funding for airports, which includes additional grant funding to increase in the federal share for AIP and supplemental discretionary grants for federal fiscal year 2020 to 100 percent (the “Supplemental Grant Funding”); and

WHEREAS, As a condition to receipt of CARES Act funding, the City must continue to employ, through December 31, 2020, at least 90 percent of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) at the Airport as of March 27, 2020, the date of enactment of the CARES Act; and

WHEREAS, The AIP provides for reimbursement of up to 80% of the allowable noise insulation related project costs, and the CARES Act Supplemental Grant Funding provides for reimbursement of the remaining 20% of the allowable costs; and
WHEREAS, Under 49 U.S. Code § 47115(f), the FAA may, in its discretion, reduce
discretionary AIP grant funding to the extent that the Airport’s Annual Service Payment to the
City has grown at a rate that exceeds inflation; and

WHEREAS, FAA has stated it plans to reduce discretionary AIP grant funding by
$5,000,000 for the continuation and expansion of the NIP, thereby requiring the Airport to fund
$5,000,000 of NIP costs that would otherwise be eligible for AIP grant funding; and

WHEREAS, The $12,777,039 total cost of the continuation and expansion of the NIP is expected to be funded by $5,000,000 of Airport funding, $5,221,631 of AIP grant funding, and $2,555,408 of Supplemental Grant Funding; and

WHEREAS, On May 8, 2020, pursuant to Resolution No. 20-0078, the Airport Commission approved the acceptance and expenditure of AIP grant funds and Supplemental Grant Funding for the continuation and expansion of the NIP, superseding Airport Commission Resolution No. 20-0054; and

WHEREAS, Acceptance and expenditure of this grant does not require an Annual Salary Ordinance amendment; and

WHEREAS, The Airport Commission proposes to maximize use of available grant funds on program expenditures by not including indirect costs in the grant budget; now, therefore, be it

RESOLVED, That the Airport Commission is hereby authorized to accept and expend an FAA AIP grant and Supplemental Grant Funding in a combined amount not to exceed $7,777,039, and any additional amounts up to 15% of the original grant amount, that may be offered by the FAA; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of indirect costs in the grant budget; and, be it
FURTHER RESOLVED, That the Airport Commission is hereby authorized to accept and expend the grant funds pursuant to Administrative Code, Section 10.170-1; and, be it

FURTHER RESOLVED, That the Airport Director is authorized to enter into one or more grant agreements with the FAA on behalf of the City for acceptance of the grant funds authorized by this Resolution; and, be it

FURTHER RESOLVED, That the authorizations contained in this Resolution are contingent on receipt by the Airport Commission of one or more grant offers from FAA consistent with this Resolution; and, be it

FURTHER RESOLVED, That within thirty (30) days of each such grant agreement being fully executed by all parties, the Airport Commission shall provide a copy to the Clerk of the Board of Supervisors for inclusion in the official file.
Recommended: __________________________

Approved: _______/S/___________________

Mayor

____/S/___________________

Department Head

Approved: _______/S/___________________

Controller
Resolution retroactively authorizing the Airport Commission to accept and expend grants in an amount not to exceed $7,777,039 and any additional amounts up to 15% of the original grant, that may be offered from the Federal Aviation Administration for the continuation and expansion of the Noise Insulation Program, contingent on receipt by the Airport Commission of one or more grant offers from the Federal Aviation Administration for the period of October 1, 2019, through September 30, 2024.

June 03, 2020 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 03, 2020 Budget and Finance Committee - RECOMMENDED AS AMENDED

June 09, 2020 Board of Supervisors - ADOPTED
   Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 6/9/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

6/12/20
Date Approved