

# Nature in Neighborhoods Capital Grants Program

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## PREPARING A LETTER OF INTEREST

A letter of interest is required for staff to determine eligibility and to offer technical assistance and advice on creating a competitive proposal.

The more time applicants can spend scoping a project prior to submitting a letter of interest, the better information Metro staff will have to provide feedback. It is encouraged and expected that applicants will contact Metro staff for assistance in project scoping and the application process as early as possible.

Staff will use the letter as the primary basis to determine the project's eligibility and the invitation to submit a full application.

### Letter of interest packet checklist

- A. Application cover sheet. This is the same cover sheet that will be used for the full application. Please be sure to check the letter of interest box. The project summary should be fewer than 50 words and provide a short, stand-alone description of the project that can be used to inform people who will not be reading the full application.
- B. Project narrative. The project narrative shall be written on 8 ½ x 11" paper, double-sided whenever possible and with a font size no smaller than 11 point. Please try not to exceed four pages. The narrative should make a convincing case that the proposal meets the intent of the grant program and is achievable. Information should be presented in a manner that is clear and concise and should address the following:
  - Project description*. Describe the location and scope of the project. Be as specific about the project's design as possible at this early phase. Briefly describe the project's background, how the project's need was identified and how the project's design was conceived.
  - Key criteria*. Explain how the project addresses either Re-Green or Re-Nature criteria described in the program handbook.
  - Partnerships*. Partnerships are an essential aspect of the capital grants program. Describe partners that are on-board currently and those that you anticipate approaching. A partner is more than a supportive individual or organization; rather, it is an individual or organization that participates in project design, raises money, actively advocates for the project or will be contributing significant time to either managing or volunteering for the project.
  - Project readiness and timeline*. Please describe how the technical aspects of the project's design (such as engineering or feasibility studies) have or will be resolved. Include a timeline, identify a project manager and their qualifications. Finally, provide information about why your organization and/or the project partners have the capacity and ability to make the project successful.

- Statement.* A brief statement indicating whether the organization has vetted the project with their government body and has received approval to submit the letter. If the organization submitting the letter is a public agency, the agency's internal policies shall determine the level of approval required to submit a letter.

- C. Budget documents. This handbook includes a section on preparing the budget documents to help ensure that all costs associated with a capital construction project are considered.

We recognize that at the letter of interest phase it might be difficult to provide the amount of detail and assurance that will ultimately be required in a full application. It is acceptable to submit a letter when the project costs are still preliminary. However, *three budget documents must still be provided:*

- The line-item budget forms with as much detail as possible at this phase.
- The budget narrative should describe the assumptions and how the estimate was established.
- The Statement of Matching Funds can include sources that are not yet secured as long as information is provided about when these sources will be approached.

- D. Letter from Government Sponsor. This is a very important section that is often overlooked. Please read it carefully and contact Metro staff if you have any questions.

If the applicant is not the public agency that currently owns or will own the property or capital asset, then the applicant must include a letter from the agency. The letter must indicate that the applicant has discussed the project with them and that they are supportive of the group moving ahead with the letter of interest. The agency needs to pay particular attention to the definition of capital projects and the requirement to record the improvement as a capital asset.

If the property is owned by Metro, there is likely another local agency, city or park provider that is responsible for managing and maintaining the site. That agency needs to work with Metro to determine if the asset will be capitalized by the agency or by Metro. If Metro will capitalize, then Metro's finance director needs to confirm that the project can be capitalized as an asset according to Metro's asset and accounting principles.

- E. Location and project maps. Provide a location/vicinity map that shows where the project is located within the region. Provide a project map that shows property boundaries, other local attributes that are important to your project and elements of the project design.

- F. Submitting the letter of interest. Copies should be double-sided whenever possible. Paper clip proposal in the upper left hand corner. Submit one hard copy and one electronic to:

Metro  
Natural Areas Program  
Nature in Neighborhoods Capital Grants  
600 NE Grand Ave.  
Portland, OR 97232  
Email: [NaturalAreasGrants@oregonmetro.gov](mailto:NaturalAreasGrants@oregonmetro.gov)

## PREPARING BUDGET DOCUMENTS

The budget documents are critical in helping the review committee understand the proposed project. The documents must include all the resources needed to support all elements of the proposed project. The following is intended to serve as a guide for preparing the project budget. It includes information on identifying overall project costs.

### Identifying costs

It is essential to fully explain all project costs, including expenses paid by grant funds, those that will be paid by other financial resources and in-kind contributions. It is highly recommended that an experienced project manager review the budget. They can help identify additional costs associated with land use review requirements and permitting.

Budget categories include the following:

#### Professional services

- Staff time for the non-profit, public agency and partner organizations. In most situations these expenses are matching resources, but could be reimbursed by Metro grant funds if they are capitalized into the cost of the project. No more than 10% of the requested grant funds can be used to pay for non-profit or local government staff time.
- Consultant services can include getting a site survey, engineering and environmental services, design consultants and completing construction/bid documents. For land acquisition it can include appraisal and appraisal review.
- Professional service for property acquisition can include professional realtors, brokers and/or negotiators; real estate appraisals, surveys and environmental reviews.
- Volunteer time can include planning committees, pro bono professional services, or boots on the ground volunteers that review invasive species, plant natives, build trails, etc.

#### Acquisition costs

- Fee simple acquisition of property as well as easements, such as conservation easements or stormwater easements, are eligible for reimbursement.
- Closing costs such as title fees, escrow fees, recording fees and title insurance
- Stabilization expenses – these are initial activities that are needed to make a newly acquired property safe and address any immediate needs. Such expenses can include fencing, demolition of structures, removal of invasive species and replacement with native plants.

#### Construction expenses

- Mobilization
- Site prep and erosion control
- Excavation and grading
- Site improvements
- Permits
- Contingency – explain how the percent contingency was determined. Where possible, factor the contingency into the line item budget.

## Instructions for preparing a budget narrative

A detailed budget narrative is essential for grant reviewers to analyze whether the budget supports the proposed project and is reasonable. Please ensure that each cost within a line item is fully detailed in the budget narrative and is consistent with the proposed project. The following are descriptions of the line items in the program budget forms that can be used to organize both the budget and the narrative. Feel free to add and delete line items to best fit the project.

Pre-agreement costs. Eligible pre-agreement costs for professional services can be included in the program budget ONLY if those costs are incurred after the letter inviting you to submit a full application is received. Pre-agreement costs are not eligible for grant funding but can be counted toward the project's match.

For capital improvement projects, these include agency time, volunteer time and professional services for design development, cost estimates, permitting or preparing bid documents for capital improvement projects. Construction costs are NOT eligible pre-agreement expenses unless approved in advance by Metro staff.

For acquisition projects, eligible pre-agreement costs include appraisals, survey and environmental assessment expenses.

Post-agreement costs. Costs associated with the same services listed above are eligible for grant funding if those costs are incurred after there is a signed grant agreement or interagency agreement between Metro and the applicant. The budget narrative should identify whether these costs will be covered by the grant funding or be used as match.

Prevailing wages. Almost all public works construction projects in Oregon are required to pay all workers on the project the prevailing wage in the local area. The Oregon Bureau of Labor and Industries establishes prevailing wages for each trade and occupation. Public works projects on public land are generally covered by the prevailing wage rate law if they 1) cost more than \$50,000; 2) are for construction, reconstruction, major renovation or painting; and 3) directly or indirectly use funds of a public agency. Based on this definition, projects funded by the capital grants program will require that prevailing wage be paid.

Most agency personnel or consultants who are experienced in public works projects will understand how to complete a budget estimate using prevailing wage rates. Refer to Oregon's Bureau of Labor and Industries for rates and requirements at <http://www.oregon.gov/BOLI> or contact Metro staff for help.

Overhead/indirect costs. Overhead costs are intended to include expenses incurred by the organization for indirect costs that are identifiable and benefit the capital project. Depending on the relationship of the cost to the project, overhead costs might include accounting and financial resources and systems; management, planning or support resources and systems; and space and other equipment – all of which must directly relate to the successful implementation of the project.

Indirect and/or overhead costs are not reimbursable but can be applied as match. For capital improvement projects, overhead costs cannot be more than 10 percent of the construction cost. For acquisitions, overhead costs cannot be more than 10 percent of due diligence expenses.

## **Instructions for preparing a line item budget**

The budget worksheet is provided in Microsoft Excel and is available on the program's website. Please edit these worksheets to include your specific line items. The line item budget should include ALL costs associated with the project, both grant funded and matching funds. Provide enough detail to explain the expenses. For example, there might be a \$20,000 line item for site furnishings. You might choose to break this down in the line item budget by showing three benches at \$5,000 each plus one picnic table at \$5,000. If you choose to leave the \$20,000 site furnishing line item, put an explanation in your budget narrative that states three benches and one picnic table.

The forms are designed so you can specify which line item will be grant funded and which will be funded with your matching resources. However, if the project's match will be 100 percent financial (with no in-kind services) all the costs can be placed in the "Total" column and an appropriate percentage of grant funds can be assigned in the bottom row. For example, if the total project cost is \$150,000, the bottom row of the line item budget will show that the grant request is \$50,000 and matching funds will cover \$100,000.

If the project is land acquisition and an appraisal has not been completed at the time of application, the estimated acquisition cost must be justified in the budget narrative. An appraisal will ultimately be required to determine the market value of the property. The applicant shall arrange for an appraisal to be prepared by an independent certified appraiser in accordance with Uniform Standards of Professional Appraisal Practice (USPAP). A second certified independent appraiser shall review the original appraisal to ensure it was done in accordance with USPAP and shall confirm the appraised value.

## **Instructions for preparing a Statement of Matching Funds**

The match form is essential for understanding which project costs identified in the budget narrative and the line item budget will be supported by which organization, including the applicant. This form also identifies cash versus in-kind contributions and secure versus pending sources.

The "notes" field should be used to more specifically describe the funding source, the dates the funds will be available, the notification date of a pending grant application, and any other information that is pertinent to the pending potential matching funds.