

**MAKING A
GREAT
PLACE**



Nature in Neighborhoods Capital Grants Handbook

July 2015

Nature in Neighborhoods Capital Grants Program

SUMMARY

The Metro Council seeks to inspire innovative projects that improve the ecological functions of our neighborhoods and enrich people's experience of nature as a fundamental element of their community's character and livability. This can be accomplished through the purchase, construction or restoration of outdoor, natural spaces that are or will be in public ownerships. Up to \$2.25 million is available annually, with a total of \$15 million available through the life of the program. Funding is made possible thanks to the voter-approved 2006 Natural Areas bond measure.

ELIGIBILITY REQUIREMENTS

Proposed projects must fulfill the following minimum requirements to be considered:

- The total project cost must be at least \$50,000.
- The project must be on publicly-owned property or result in a publicly-owned asset (such as land acquisition) and is within Metro's jurisdictional boundary or the region's urban growth boundary.
- The project must demonstrate public and private partners who can and will leverage human and financial resources for the project.
- Metro will provide no more than one-third of the total project costs of the capital project. The remaining two-thirds must be raised by other financial or in-kind sources.
- The recipient organization must demonstrate that there are sufficient funds to maintain and repair the capital project over time.

APPLICATION PROCESS

Interested organizations, schools, neighborhoods or government agencies can initiate review of a project by submitting a letter of interest at any time. Full applications are reviewed annually. Check the program website for upcoming deadlines. Full applications are accepted by invitation only.

Developing ideas into viable projects is often a complex process that includes research, building relationships and an understanding of local priorities. To make this funding source as user-friendly as possible, Metro is willing to offer guidance throughout this project development phase. Potential applicants are encouraged to contact Metro staff to discuss project ideas.

PROGRAM GOALS AND CRITERIA

All project proposals must strongly meet at least one of the program's two main goals. Applications should address how the project meets the criteria associated with each goal as well as project feasibility factors such as the applicant's ability to implement the project and a plan for long-term maintenance.

"Re-nature" goal – enhance ecology

Protect water quality and enhance wildlife habitat through the preservation and restoration of ecological features and functions.

"Re-green" goal – enrich people's experience of nature

Ensure that the presence and experience of nature is a fundamental element of every neighborhood's character and livability.

Nature in Neighborhoods Capital Grants Program

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SECTION 1: OVERVIEW OF THE CAPITAL GRANTS PROGRAM

PROGRAM BACKGROUND

In November 2006, voters approved a \$227.4 million bond measure designed to protect the region's water quality, fish and wildlife habitat and provide people with greater access to nature. The Natural Areas Program consists of three elements:

- Regional natural area and trail corridor acquisition in the amount of \$168.4 million.
- Local share program providing \$44 million to cities, counties and park districts to meet their own needs for acquiring natural areas, restoring habitat, enhancing public access to nature, designing and constructing trails and providing environmental education opportunities.
- Nature in Neighborhoods capital grants program in the amount of \$15 million.

The Nature in Neighborhoods capital grants program is intended to complement the regional and local share elements of the 2006 natural areas bond measure by funding projects that protect and enhance natural resources on public lands at a neighborhood level, particularly in neighborhoods that are more deficient of parks and natural areas.

With a required match of at least \$2 for every \$1 in grant funding, this \$15 million program is expected to spur at least \$45 million of investment in the region's nature-based infrastructure.

FUNDING AVAILABILITY

Approximately \$2 million will be available for 2016 applications to this competitive grant program. While letters of interest are accepted at any time, full applications are accepted by invitation only. Check the program website for application deadlines. Make sure to leave enough time between submitting the letter of interest and the full application deadline. Three months is recommended.

The intent of this grant program is to fund significant capital improvement projects. Therefore, the *total* project cost must be at least \$50,000. Since the required match is \$2 for every \$1 of Metro funding, a minimum grant award is \$16,600. A maximum grant request of \$750,000 has been established for the 2015 funding round and will likely be adjusted again for the 2016 cycle. Check the website for updates. Program staff can help determine an appropriate grant request for specific projects.

WHO CAN APPLY?

The following groups and organizations are eligible to apply: governmental agencies; nonprofit organizations; public educational institutions including primary and secondary schools, community colleges, colleges, universities and extension centers. Although individuals and for-profit organizations are not eligible to apply, they are encouraged to participate as project partners. Due to bond restrictions, the federal government cannot own the asset or improvement.

PARTNERS

The project must demonstrate public and private partners who will leverage human and financial resources. A partner is not simply an organization or individual that writes a letter of support. Partners are actively engaged in leveraging financial or in-kind services in order to make the project a success.

Partners allow inclusiveness and lead to creative approaches that address multiple social and economic needs of the community as well as ecological benefits.

MATCH

Metro awards no more than one-third of the total project cost of successful applications. The matching requirement allows creativity in project implementation and financing. Guidelines include:

- The match can be a combination of financial resources and in-kind services.
- The match does need to be secured at the time of application to the capital grants program.
- The value of donated or acquired property can be used as a match if the property was donated or acquired within one year of the grant application, as long as no Metro funds were used to acquire the property.
- Volunteer time should be valued based on the Independent Sector's value of volunteer time. The 2015 value is \$23.07/hour. The most current information can be found at: http://www.independentsector.org/programs/research/volunteer_time.html.
- Metro funds or in-kind support of Metro staff cannot be used as a match.
- Match can include pre-agreement planning costs. It is recognized that some costs must be incurred to adequately prepare the full application. For that reason, the following costs can be included as a match if incurred after Metro's invitation to submit a full application.

For development projects: Professional services, agency staff time and volunteer time spent on the following activities: site planning, feasibility studies, preliminary design, environmental assessment, preparation of cost estimates, construction drawings and specifications, building relationships with potential partners and similar tasks necessary for project preparation.

For acquisition projects: Professional services, agency staff time and volunteer time spent on appraisals, survey, environmental evaluation costs and building relationships with potential partners.

DEFINITION OF A CAPITAL PROJECT

The project must result in a publicly-owned capital asset within Metro's jurisdictional boundary or the region's urban growth boundary.¹ The definition of a capital asset may vary depending on how the project will be accounted for by the public agency that owns or will own the property or easement being acquired or improved. To ensure that this requirement is met, the chief financial officer for the public agency must confirm that the line items funded by the capital grants shall be properly recorded as assets in the jurisdiction's audited financial statements and that the accounting treatment for this project is consistent with other similar transactions. Application instructions direct you to provide a letter of support from the jurisdiction that includes this assurance.

There are two types of capital projects that may be funded through the capital grants program.

¹ Metro's website has an interactive tool that will tell you if your property is inside the urban growth boundary. Go to www.oregonmetro.gov, search for "Urban Growth Boundary lookup".

Land acquisition or conservation easement²

Acquisition of real property (including easements) by a public agency. Acquisition projects can include natural areas, wildlife habitat and trail corridors, nature-related parks or other opportunities for increasing people's connections to nature and/or restoring or recreating healthy functioning ecological systems.

Property being proposed for acquisition can include land that has been identified as a local or regional priority in the Regional Conservation Strategy or have been determined to be locally significant.

Costs necessary to bring the property into its intended use are also eligible for capital grant funding. These costs can include a survey, the demolition of unwanted structures and other hazards, installation of signage and fencing to control access and the initial removal of invasive species and planting of natives.

Government agencies consenting to take fee title ownership to property being acquired with grant funds shall grant Metro a conservation easement substantially in compliance with Appendix A. If the agency is acquiring a conservation easement of their own from the property owner, then this requirement does not apply.

Agreements to acquire any interest in land shall be negotiated with willing sellers.

The federal government may not own property purchased with these bond funds.

Capital improvement projects

Projects will result in the creation of a capital asset such as a park, trail, boardwalk or nature play area, with a discrete useful life of at least 20 years; OR projects will significantly extend the useful life of an existing capital asset.

A project must have a total value of at least \$50,000. Such costs can include design and engineering costs, bid documents and permits, as well as materials and construction expenses.

Projects will be an improvement to non-federal, publicly-owned property.

Projects can occur on Metro-owned property if at the time of the property's acquisition, it was never the intention for Metro to develop facilities on the site. The project must be consistent with the intent of the bond measure under which the project was acquired and the management goals at the time of acquisition. If an Intergovernmental Agreement (IGA) with a local jurisdiction for the management of the property is in place, the project must comply with that agreement.

Projects have typically included:

- Restoration projects that either create or renovate a facility in order to enhance fish habitat and/or wildlife connectivity such as enhancing stream complexity with large woody debris, removing or replacing culverts, and providing viewing platforms to reduce people's impact on sensitive habitat.
- Urban transformation projects that include innovative practices that seek to change development norms in the region's most urban settings by raising the current standards of sustainable site

² Contact Metro staff if you need to be referred to real estate/land acquisition experts who can help you negotiate with the property owner and hire a qualified appraiser.

development, balancing human needs and the health of natural systems and providing people with opportunities to learn about and experience nature.

- Neighborhood livability projects that give people a place to walk, reflect and connect with nature close to home.

Projects that take the place of required mitigation or penalty payments or are regulatory in nature are not eligible.

EVALUATION CRITERIA

A project proposal, whether it is a land acquisition or capital improvement project, must address the criteria in at least one of the two program goals described below: Re-Nature or Re-Green.

Please specify in your application which goal your project addresses. In some cases, a project may address both. See Section 2 of the Application Instructions for more information.

“Re-Nature” – Enhance Ecology

Protect water quality and enhance wildlife habitat through the preservation and restoration of ecological features and functions.

1. The project improves how ecological processes contribute to overall ecosystem health. To achieve this, the project must accomplish the following outcomes:
 - Restores diverse riparian vegetative structure or stream character.
 - Increases fish passage and/or wildlife crossings.
 - Restores, improves or preserves habitats of concern. A habitat of concern can be defined as one of the following:
 - Includes or is within 200 feet of a stream, headwater, wetland or floodplain.
 - Can achieve at least two of the four habitat features essential for wildlife: food, cover, limited human disturbance and special habitat feature.
 - Provides (or could provide) habitat for species of regional conservation significance.
 - Has the potential to support native fish populations.
 - Acquisition of lands that preserve existing ecological processes and features that are important to overall ecosystem health or land that has strong potential to restore such ecological processes.
2. The project will contribute to ecological as well as economic or social benefits beyond the project itself. This can be demonstrated in the following ways:
 - Adds to the existing system of natural areas by increasing networks, corridors and linkages between them (e.g. connectivity).
 - Project is identified in existing plans.
 - Project advances Metro’s 2040 Growth Concept. (*Learn more by contacting Metro staff or visiting the 2040 website at <http://www.oregonmetro.gov/index.cfm/go/by.web/id=29882>.)*)
 - Project is adjacent to public land and would provide public access to that land.
 - Project brings together individuals and organizations in order to address community concerns beyond the environmental or ecological benefits.
3. The project demonstrates ecological design solutions that are both effective and cost-efficient. This can be demonstrated in the following ways:

- Use of sustainable construction techniques and materials.
- Contributes to stormwater management for an area larger than the individual site.
- Demonstrates innovative practices for the local area or the region.
- Leverages public dollars beyond the 2:1 match.
- If acquisition, demonstrates the value of the property being in public ownership.

“Re-Green” – Enrich People’s Experience of Nature

Ensure that the presence and experience of nature is a fundamental element of every neighborhood’s character and livability.

1. The project enriches people’s experience of nature and strengthens a physical connection to the region’s ecology. This can be demonstrated in the following ways:
 - The project is in a nature-deficient or a low-income neighborhood.
 - The project will serve a group of people that do not currently have strong access to nature.
 - If land acquisition, the project will provide access to the site without compromising the ecological integrity of the natural area.
 - The project will provide universal access to the public, including people with disabilities.
2. The project demonstrates ecological design solutions that are both effective and cost-efficient. This can be demonstrated in the following ways:
 - Use of sustainable construction techniques and materials.
 - Contributes to stormwater management for an area larger than the individual site.
 - Demonstrates innovative practices for the local area or the region.
 - Leverages public dollars beyond the 2:1 match.
 - If land acquisition, demonstrates the value of the property being in public ownership.
3. The project provides benefits beyond the project itself. This can be demonstrated in the following ways:
 - The project brings together individuals and organizations to address community concerns beyond the environmental or ecological benefits.
 - Project is identified in existing plan.
 - Project advances Metro’s 2040 Growth Concept.
 - Project is adjacent to public land and would provide public access to that land.

PROJECT PLANNING

The strongest projects have been well thought-out and based on thorough research and planning. This includes looking at the project in the broadest context and framing the need for the project within the entire watershed basin or the needs of the surrounding neighborhoods. Building relationships with a variety of stakeholders can allow the project to more holistically address multiple elements of a livable community such as public safety, health, affordable housing and jobs. Metro is willing to provide suggestions to potential applicants and help to identify potential resources. Applicants are encouraged to contact Metro staff as early in the project planning phase as possible. Metro staff can provide a quick assessment over the phone and suggest ways that the project can be strengthened to better meet the program criteria. If the project is a land acquisition project, various land conservation organizations may be available to assist with negotiations and due diligence procedures.

It is equally important to gather specific data or research to support the project's need and the context in which the project is discussed. Data or mapping sources to consider include:

- Demographic data collected from census information or local school student populations
- Existing planning documents can include a state or city planning documents, watershed action plans, neighborhood plans, or others that can document the social, economic or ecological needs in the project area.
- Master plans or other specific engineering or feasibility studies completed for the project site.

A list of potential resources for such information begins on page 8.

APPLICATION PROCEDURES

Potential applicants must submit a letter of interest describing the proposed project and how it meets the eligibility requirements. Letters of interest can be submitted at any time. Full proposals will only be accepted from applicants who have been invited to apply. Section 2 of this grant handbook gives specific instructions on completing a letter of interest and a full application.

REVIEW AND APPROVAL PROCESS

The administration of this grant program is designed to be responsive to the needs of potential applicants and flexible enough to assist with the evolving nature of capital improvement projects.

Letter of interest review

Metro staff will review the letter of interest to ensure the applicant's proposal meets the eligibility requirements and can address the criteria adequately. This review may include follow-up communication with the applicant or possibly a site visit. It is the applicant's responsibility to ensure their project is sufficiently defined according to the guidelines so that staff can efficiently review the project.

If staff determines that the project meets the intention of the grant program, the applicant will be invited to submit a full proposal. Applicants who do not receive an invitation to submit a full proposal will be contacted by Metro to discuss their project. Staff may indicate that certain proposal elements need strengthening to be more competitive, that another source of funding may be more appropriate or that the project does not meet funding criteria.

While staff reviews for basic eligibility and criteria guidelines, the Metro Council's appointed review committee determines if a project meets the program criteria strongly enough to recommend funding.

Full proposal review process

Staff review. Metro staff will review proposals for eligibility and completeness. Proposals that are not complete will be returned to the applicant with comments. Applicants may resubmit the revised proposal with clarifications as requested. If a resubmitted proposal misses a grant review cycle, it will be reviewed in the next cycle.

Site visits. Metro staff will conduct site visits during the proposal review period. Site visits are intended to provide a more in-depth understanding of the proposal in order to form a stronger basis for comparison

with other proposals. Members of the Grant Review Committee may or may not participate in the site visits. All site visits shall be documented for the Grant Review Committee to review as a group.

Grant Review Committee. The Grant Review Committee, appointed by the Metro Council, will review the full applications and site visit analysis. The Grant Review Committee will base their funding recommendations on how strongly a project is able to address the selection criteria and if the amount of the funding request is proportional to the outcomes achieved. Funding recommendations will be submitted to the Metro Council for approval. For more information about the Grant Review Committee, see Appendix B.

Metro Council approval

Following the Grant Review Committee's evaluation of the grant proposals, Metro staff will submit a resolution for approval to the Metro Council based on the Grant Review Committee's recommendations for funding. One or more members of the Grant Review Committee will be available at this scheduled meeting to present the committee's recommendations to the Metro Council and answer questions. The Metro Council will consider the information received and award funds to those proposals that best advance the vision, goals and intent of the Nature in Neighborhoods Capital Grants Program.

AGREEMENTS

If the Metro Council approves funding, Metro staff will work with the successful applicant to enter into the necessary agreements for the project between Metro and the applicant. See Appendix C for a sample agreement.

If the successful applicant is not the local jurisdiction that will ultimately take ownership for the project, then Metro will need to enter into a separate agreement with the jurisdiction to ensure compliance with the bond requirements.

Matching Funds/ Conditions of Approval.

If the applicant has not fully secured the required matching funds by the time the Metro Council approves the award or if the Metro Council approves funding for the project subject to conditions of approval, then Metro will issue a notice to the applicant expressing Metro's intent to enter into an agreement with the applicant once the applicant has secured all matching funds and/or the Metro Council's conditions of approval have been satisfied. Applicants will have up to 12 months to secure the needed match and/or meet the Metro Council's additional requirements.

This 12-month period can be extended with the approval of Metro's Chief Operating Officer if:

- The applicant has made significant progress toward securing the matching funds or addressing the conditions of approval.
- There is a clear timeline to satisfy the remaining conditions or obtain the match with specific steps identified.
- The intent of the project and the scope of the work have not significantly changed.
- The additional time will result in a more feasible project with achievable results.

The only portions of the project that can be implemented prior to fully executed agreements with Metro are those tasks identified in the grant proposal budget as "pre-agreement costs." These expenses can only

be used as match, and Metro has no obligation to reimburse these expenses or enter into a grant agreement if all match funds are not secured or if all Metro Council conditions of approval are not met within the 12-month period (as the same may be extended).

Changes to Scope of Work or Budget after Executed Agreement

Amendments to the agreement can be made to extend the grant period, make necessary budget adjustments or make other alterations that are still consistent with the project scope approved by the Metro Council.

If the need arises to redirect capital grant funding to a new project element that was not part of the original scope of work, the following criteria will be considered.

- The new project element addresses the same problem or need identified in the grant application.
- The originally funded project element is not feasible, was funded by some other funding source, or did not cost as much as anticipated at time of application.
- The new project element is consistent with the intent of the Nature in Neighborhoods Capital Grant program as defined by the 2006 Natural Areas bond measure.

Metro staff will bring the request to the Grant Review Committee at their next meeting (usually in January of every year). The Review Committee will recommend that an amendment revising the scope of work be approved by the Metro Council.

Reporting requirements

Grant recipients will be required to report on the outcomes and benefits of the project as they relate to the goals of the grant program. Such outcomes will be determined on a project-by-project basis and included as part of the grantee's scope of work.

Metro is committed to successful project implementation for all grant recipients and will work cooperatively to ensure project success.

ADDITIONAL INFORMATION

Public information

All applications are subject to the Oregon Public Records Law.

Pre-award activities

Notwithstanding any oral or written assurances, there is no obligation on the part of Metro to cover pre-award costs.

Resources

- Regional Conservation Strategy. This document organizes conservation strategies for the Portland metropolitan region by landscape types – natural area, working lands and developed areas – as well as strategies for biodiversity corridors and for species of special concern. This document will be helpful as you consider how a project advances biodiversity on a regional scale. It is available on the Intertwine Alliance website at www.theintertwine.org.

The Regional Conservation Strategy High Value Habitat viewer (www.regionalconservationstrategy.org) shows the high value habitat across the Portland-Vancouver region and within any watershed, jurisdiction, urban growth boundary/area, or custom shape that you choose. It helps you visualize the relative importance of habitats within your project area.

You can also view summary statistics about the land cover, habitats, and parks and ownership in your selected area. Comparing the high value habitats with the other layers on the map can help prioritize conservation efforts. For example, if you view the parks and protected areas layer and the high value habitats at the same time, you can see which high value habitats are not currently protected. You can also determine whether any high value habitats exist that could connect currently protected habitats.

- Public school districts. One source of local demographic data is the neighborhood schools. Each public school maintains data on the percentage of students eligible for the free and reduced lunch program and students participating in English as a Second Language program.
- Regional Equity Atlas. Using maps, policy analysis, and community-based research, the Equity Atlas assesses how well different populations across the four-county Portland-Vancouver metro region can access key resources necessary for meeting their basic needs and advancing their health and well-being. The Atlas is on the web at www.equityatlas.org.

Metro's web site has a variety of maps and tools to assist with project research:

- MetroMap. This is Metro's web mapping service where you can view and print maps or data specific to your area of interest. MetroMap allows you to view map-based information about a location of your choice. View information on parcel and tax assessment, zoning, political boundaries, planning, flood plain and special districts. The results can be displayed in text-only format or on a map.
- Urban Growth Boundary tool. Enter an address to see a map that shows whether a specific property is inside, was added to, or removed from the urban growth boundary.

SECTION 2: APPLICATION INSTRUCTIONS

Potential applicants must submit a letter of interest. Eligible applicants will be invited to submit a full proposal.

PREPARING A LETTER OF INTEREST

Applicants should spend considerable time scoping a project prior to submitting a letter of interest. 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 to the grant program and provide feedback on how the project can best meet program goals. Please ensure that the letter includes specific information about how the organization and project meet the eligibility requirements noted in Section 1 of this handbook.

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*. Describe the project and explain how it addresses the criteria under either Re-Green or Re-Nature.
 - 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. Also, partners can provide programming or encourage use after project completion.
 - Project feasibility*. The information provided in this section will help staff assess factors associated with the project's successful implementation. 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 and identifies a project manager and their qualifications. Finally, provide information about why your organizations and/or the partners have the capacity and ability to make the project successful.

- Statement.* A brief statement indicating that 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. It is important to read the section as early in the project planning as possible because it will 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 at the full application phase. If the project *is* at a phase where this information is available, please submit it with the letter.

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. 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 explained on pages 2-3.

If the property is owned by Metro, you will still need to include a letter from the local agency that will be responsible for managing and maintaining the asset. In addition, you will need to include a letter from Metro stating that the project is consistent with the goals of the bond measure under which it was acquired, that it will not interfere with Metro's intended land management goals, and that it is not Metro's intent to take part in the implementation of the project. In addition, you will need to determine if the asset will be capitalized by the applicant 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

PREPARING BUDGET DOCUMENTS

The project budget must include resources to support all elements of the proposed project. It must be clear, cost-effective and consistent with the project described in the project narrative. The following is intended to serve as a guide for preparing the project budget. It includes information on identifying and clarifying overall project costs, including costs funded by the grant and matching funds and instructions for preparing the required budget documentation.

Identifying costs

It is essential to fully explain all project costs, including both the grant funds' and matching funds' share of the total project budget. Grant funds can only support project capital costs as described under the definition of a capital project on pages 2-3. However, project costs that are NOT eligible for grant funding may be included as part of the applicant's matching fund contribution.

Project capital costs that can be paid for with grant funds typically include professional services for surveying, design development, permit document preparation, permit fees, construction documents and bid preparation; staff time for project management; and materials and construction costs. The staff of the government agency that owns or will own the improvement can confirm which expenses are capital costs.

Expenses associated with land acquisitions that are eligible for reimbursement include:

- Fee simple acquisition.
- Conservation easement acquisition.
- Professional service contracts for professional realtors, brokers and/or negotiators; real estate appraisals, surveys and environmental evaluations.
- Title fees, escrow fees, recording fees and title insurance.

No more than 10% of the requested grant funds can be used to pay for non-profit or local government staff time associated with the project.

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. As noted above, the budget information is a critical factor in helping reviewers understand the proposed project. The more clearly the budget information is presented the better.

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.

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.

Costs specific to capital improvement projects

Personnel. This includes salary or wage expenses for applicant staff positions directly related to the proposed project. Do not include costs for consultants or staff of other organizations here; these should be included in a separate line item that can be labeled “consultant,” agency or “nonprofit” staff.

The budget narrative should list each staff position title, the position’s salary plus direct fringe benefits and a description of the activities to be performed by the person. The budget narrative should identify whether these costs will be covered by the grant funding or used as match.

Consultants. The budget narrative should list and describe all consultant services, such as design development, engineering studies and cost estimation. It should also identify whether these costs will be covered by the grant funding or used as match. This line item can also include services provided by project partners and pro bono professional services, which can be used toward the project match, as long as appropriate documentation is provided and defensible.

Volunteers. Volunteer time can be applied toward the project match. The budget narrative should describe the work that will be done by volunteers, how the volunteers will be identified, and who will supervise them. Volunteer time should be valued based on the Independent Sector’s value of volunteer time.

Construction costs. Describe the costs associated with construction of the project. Revise the budget form to fit the project costs. Describe how costs will be assigned to the grant funds as opposed to matching funds. This can simply be a percentage of the total or it can be listed line item by line item.

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.

SECTION 3: APPLICATION FORMS

All application forms are available electronically on the program's website at www.oregonmetro.gov/capitalgrants. Metro staff will email electronic versions of these forms upon request.

- F1 Cover Sheet
- F2 Match Form
- F3 Project Budget Worksheet