

Climate Pollution Reduction Grants – Implementation Grants
Oregon Metro
Climate Leadership Investments in Mobility, Affordability & Transit-oriented Energy efficiency
(CLIMATE)

BUDGET NARRATIVE

a. Overview

Metro’s budget shows costs by category for each year of the five-year grant period. The budget includes \$300,000 to cover the cost of Metro staff time, including fringe benefits, as well as indirect costs. Since this award will supplement the TOD team’s existing developer grant program, it will not require a significant amount of additional staff time to manage. This allows \$4.7 million (94% of the award) to be used for the grant pool to fund subawards to TOD affordable housing developers. These subawards will provide funds to increase energy efficiency measures in new TOD affordable housing buildings. An illustrative list of potential energy efficiency measures undertaken by developers with subaward funds is included below. Potential activities include construction. Metro estimates that each subaward will be approximately \$100,000 for a total of 47 subawards over the five-year grant period.

b. Consolidated Budget Table

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	TOTAL PERSONNEL	\$22,074	\$23,177	\$24,336	\$25,553	\$28,025	\$123,165
	TOTAL FRINGE BENEFITS	\$13,818	\$14,509	\$15,234	\$15,996	\$17,544	\$77,102
	TOTAL TRAVEL	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL CONTRACTUAL	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL OTHER	\$500,000	\$900,000	\$1,200,000	\$1,200,000	\$900,000	\$4,700,000
	TOTAL DIRECT	\$535,892	\$937,686	\$1,239,571	\$1,241,549	\$945,569	\$4,900,267
	TOTAL INDIRECT	\$17,874	\$18,768	\$19,706	\$20,691	\$22,693	\$99,733
TOTAL FUNDING		\$553,766	\$956,454	\$1,259,277	\$1,262,241	\$968,263	\$5,000,000

c. Budget Detail

BUDGET BY YEAR							
COST-TYPE	CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs	Personnel						
	Senior Regional Planner @ \$99,394 annual salary, 0.05FTE, with salary increase	\$4,970	\$5,218	\$5,479	\$5,753	\$6,041	\$27,461
	Senior Regional Planner @ \$104,373 annual salary, 0.05FTE, with salary increase	\$5,219	\$5,480	\$5,754	\$6,041	\$6,343	\$28,836
	Principal Regional Planner @ \$109,557 annual salary, 0.05FTE, with salary increase	\$5,478	\$5,752	\$6,039	\$6,341	\$6,658	\$30,269
	Manager II @ \$128,149 annual salary, 0.05FTE, with salary increase	\$6,407	\$6,728	\$7,064	\$7,417	\$8,983	\$36,600
	TOTAL PERSONNEL	\$22,074	\$23,177	\$24,336	\$25,553	\$28,025	\$123,165
	Fringe Benefits						
	Leave/Fringe rate = 62.6% of Personnel Costs ¹	\$13,818	\$14,509	\$15,234	\$15,996	\$17,544	\$77,102
	TOTAL FRINGE BENEFITS	\$13,818	\$14,509	\$15,234	\$15,996	\$17,544	\$77,102
	Travel						
							\$0
	TOTAL TRAVEL	\$0	\$0	\$0	\$0	\$0	\$0
	Equipment						
							\$0
	TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
	Supplies						
							\$0
	TOTAL SUPPLIES	\$0	\$0	\$0	\$0	\$0	\$0
	Contractual						
							\$0
	TOTAL CONTRACTUAL	\$0	\$0	\$0	\$0	\$0	\$0
	OTHER						
	Subawards to developers ² of Transit Oriented Development (TOD) affordable housing to increase energy efficiency measures in buildings.	\$500,000	\$900,000	\$1,200,000	\$1,200,000	\$900,000	\$4,700,000

	<i>Each subaward amount is estimated @ \$100k, and aprox 47 subawards will be issued.³</i>						
	TOTAL OTHER	\$500,000	\$900,000	\$1,200,000	\$1,200,000	\$900,000	\$4,700,000
	TOTAL DIRECT	\$535,892	\$937,686	\$1,239,571	\$1,241,549	\$945,569	\$4,900,267
Indirect Costs	Indirect Costs						
	<i>Overhead Rate = 49.8% of Personnel Costs + Leave/Fringe Costs⁴</i>	\$17,874	\$18,768	\$19,706	\$20,691	\$22,693	\$99,733
	TOTAL INDIRECT	\$17,874	\$18,768	\$19,706	\$20,691	\$22,693	\$99,733
TOTAL FUNDING		\$553,766	\$956,454	\$1,259,277	\$1,262,241	\$968,263	\$5,000,000

¹Most recent approved leave/fringe rate (FY24 - 62.6%) is used for budgeting purposes. Rate is applied to total personnel costs. Leave/fringe rate includes payroll taxes, leave, health & welfare costs, and retirement costs. The rate is adjusted annually under cognizant agency approved methodology.

²Developers (subaward recipients) are typically non-profit organizations, but may occasionally be for-profit entities. Metro is specifically indicating this possibility so these potential subawards to for-profit developers are approved as required in EPA's National Term and Condition for Subawards. The purpose of the subaward to both non-profit and for-profit developers is the same. In neither case is the developer providing goods or services to Metro, but is instead accomplishing a public purpose authorized by the award. All subrecipients, whether non-profit or for-profit will only receive reimbursement for their actual costs such that they do not "profit" from the transaction.

³An illustrative list of potential energy efficiency measures undertaken by developers with subaward funds is included below. Potential activities include construction. The list is non-exhaustive:

- Higher R-value insulation in walls and roof
- Lower U-value windows
- High efficiency heat pumps for heating and cooling
- High efficiency electric water heaters
- ENERGY STAR appliances
- Solar panels
- Green or reflective roof
- Awnings on windows
- Green walls

Metro's subawards with developers will require the following:

- Per 2 CFR 200.311 *Real Property*, applicable capital improvements will be maintained for the originally authorized purpose through their estimated useful life per the depreciation schedule. If the developer disposes of the improvement after it's been fully depreciated and/or the improvement has a fair market value of \$0, no compensation to the federal awarding agency

will be necessary. Otherwise, the federal awarding agency will be compensated according to the percentage of their federal interest of the current fair market value.

- Similarly, per *2 CFR 200.313 Equipment*, should any capital expenditure qualify as equipment, they will also be maintained for the originally authorized purpose until their current per unit fair market value is \$5,000 or less. Otherwise, the federal awarding agency will be compensated according to the percentage of their federal interest of the current fair market value.
- Per *2 CFR 200.314 Supplies*, those expenses that qualify as supplies will not require specific disposition instructions or compensation to the federal awarding agency unless there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination, which is not expected to occur in this project.

⁴Overhead rate of 49.8% is applied to Total Personnel Costs + Leave/Fringe Costs. Overhead rate is adjusted annually under cognizant agency approved methodology. An estimated rate for the project period is used for budgeting purposes. Per EPA policy, Metro's Planning, Development, and Research (PD&R) Department is an "exempt" local governmental department that receives up to and including \$35,000,000 in Federal funding per the agency's fiscal year, and has an IDC rate proposal developed in accordance with 2 CFR Part 200, Appendix VII, with documentation maintained and available for audit.