

**GRANTS AND LOANS
(Chapter 6)**

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INTRODUCTION

Special districts are uniquely qualified to receive grants and loans that are available to public entities. Grants and loans can be an excellent way to obtain or supplement funding for projects and capital improvements to improve or expand district services.

Getting additional funding can sometimes allow the district to take on projects or programs it wouldn't otherwise be able to do, or to get creative with pilot projects or experimental programs. Special districts always have to keep in mind, however, that any new or pilot program or service must still fall clearly within the statutory authority granted to the district under its principal act. For this reason, districts should consult with legal counsel before pursuing a "nontraditional" program or service to be sure it can be done while still complying with the law.

Grants provide "free money" and loan terms can be very favorable, but obtaining these forms of aid takes more patience and effort than many first-time applicants realize. Completing applications can be time-consuming and complicated. Funders nearly always require lots of detailed information and documentation which can take months to gather, and there is no guarantee that the funding will be granted. The process can be particularly daunting or difficult for small districts with little or no paid staff.

Because grant and loan funds usually must be used for specific programs or projects and not to cover normal operating costs, the decision to pursue them should be part of a larger plan to achieve a specific goal. Once the goal is identified, the district can be strategic about locating funding sources to help achieve it. This helps to ensure that staff time and energy are focused where success is most likely.

TYPES OF AID

The three main sources for grants and loans for special districts are the federal government, state government, and private entities, such as non-profit foundations. Most funding for public infrastructure projects will be in the form of loans, or grant/loan combinations. Private sources are more likely to provide grants to support projects and programs that benefit the local community, such as improving health, providing education or training, or providing other community support.

Exploring all three types of aid will increase the chances of finding funding to meet the district's needs:

- **Federal (U.S. Government):** Federal funds are available through both loans and grants. Most federal dollars are distributed to states first and local governments apply for the funds through their individual states.
- **State (Oregon):** Most money from the State of Oregon is in the form of loans administered by specific state agencies. Grant money may be available as well, often in the form of federal dollars administered through the state. Special districts should stay

in touch with the agency that will be making the decision, and get to know the individuals involved with your application.

- Private Sources. Most private money is in the form of grants. Many grants do not allow governments to apply, so read the eligibility requirements carefully.

Regardless of the source of funding, keep these considerations in mind:

- Be patient: It can take a long time for applications to be reviewed and for funds to be approved. Federal programs usually take longer than state programs, and state programs usually take longer than private programs.
- Be accurate: Don't leave anything out of the application materials. Make sure every question is answered and every blank filled. Because competition for funds is usually intense, even slight omissions or mistakes can result in disqualification for funding.
- Be prepared: Funding, especially federal funding, almost always comes with strict conditions attached. Accurate budgets and accounting information, clear and properly adopted spending and contracting policies, and applicable strategic or capital improvement plans will nearly always be requested and can be put in place prior to beginning the application process. If funding is granted, increased administrative support may be needed to keep up with additional required record-keeping and reporting.
- Matching funds: Many funding programs will require that the district provide matching funds from its own budget or from other sources.

GENERAL TIPS

- Develop a plan. (See “Section 3. The Plan,” below.)
- Start early.
- Research the grant or loan program carefully to be sure the district is eligible and that the funding program is a good fit for what you want to achieve. (See “Section 4. Before the Application,” below.)
- Note application deadlines and allow plenty of time to complete the application. (See “Before the Submission,” below.)
- Be realistic in designing the project or program. It should be clearly do-able with the offered funding.
- Apply early; you may have a chance to fix or change your application if needed before the application deadline.
- Include a cover letter with your application.
- Answer all questions. Follow the application guidelines exactly.
- Be explicit. Clearly explain the connections between your research objectives, your questions and methods, your results, and your plans for executing the project or program. (See “Section 5. Preparing a Proposal” below.)

- Write clearly and succinctly. Your application will very likely be evaluated only on its contents and you will not be given a chance to explain or clarify further before a decision is made on it.
- If rejected, revise your proposal and apply again.

THE PLAN

Applying for a grant or loan begins with the development of a realistic, detailed plan to show what the dedicated funds will be used for. If the district cannot justify the need for the funds, it is unlikely to receive them. Not only are the information and priorities in the plan useful when writing a grant or loan application, some grant and loan programs require a plan as a condition of funding.

Ideally, the plan will be part of a comprehensive capital or strategic planning process that addresses the following:

- Legislative Commitment: The planned program or project is part of a comprehensive, ongoing planning process supported by the district board, and the board has approved assigning staff to implement the plan.
- Timetable: A proposed timetable for implementation has been developed using a Gantt chart or something similar, taking into account the district's annual budget cycle.
- Roles: The district board has identified a person or group who will develop, monitor, and recommend revisions to the planning process, such as a citizen's group, several department heads, or some mixture of staff and public.
- Criteria: Criteria have been established for prioritizing ideas and proposals in light of local needs and district goals.
- Information: Necessary information has been identified and gathered, such as existing plans and documents or an inventory of the condition and adequacy of all systems, to inform the planning process and help with the development of priorities.
- Financial Analysis: Historic and projected revenues and expenditures and the district's cash flow and long-term financial condition have been analyzed to accurately determine the need for funding.
- Funding Sources: Current and future financing alternatives have been reviewed and evaluated to determine which are most appropriate for specific kinds of improvements or programming.
- Prioritization of Needs: Needs have been evaluated using the criteria developed earlier, and a preliminary project list has been made.

- Selecting Funding Sources: Top priority projects have been matched with identified funding sources, taking into account when the financing will become available. The resulting preliminary plan has been reviewed and approved by the board.
- Public Review: The public has been given one or more opportunities to review and comment on the preliminary plan. The board has considered public input, made revisions as needed, and formally adopted the final capital plan.
- Implementation Period: The cost to implement the plan is reflected in the district's budget. Implementation of the plan begins and is monitored going forward by the district board and assigned staff.

BEFORE THE APPLICATION

After completing the plan, the district can proceed with the application process. The following pointers may help with the application:

- Know the district's needs and priorities. Strategic plans, comprehensive plans, and capital improvement plans can help a district allocate scarce and new funds to the most important needs identified in your community. Involve citizens in setting priorities so they will have a better understanding of the district's revenue needs.
- Learn the process. Competition is tough for most grants and loans. The more you know about the process the more competitive your application will be.
 - Research the criteria for application and approval of funding. Review the application package. Consider how much time and effort will be required to submit the required information, and whether there are steps you can take in advance – such as specific planning or seeking public input – that will make your application more competitive.
 - Attend an application seminar. Ask questions. Contact the program staff. Ask for a one-on-one conference where you discuss your project and get advice on how to apply.
 - If you ask, program staff usually will provide you with copies of successful applications for a similar project or program for you to review. Consider contacting the applicant directly to get advice based on their experience.
- Get help if you need it. Several sources of inexpensive grant-writing help may be available. For example:
 - The United Way
 - Councils of Governments
 - Regional Planning Commissions
 - For programs that promote economic development, the local Economic Development Council
 - For programs to aid low-income persons, the Community Action Council

You also may want to hire a professional consultant or grant-writer. Check with your professional network for a referral. Be sure to check references and get a written agreement with a fixed price or not-to-exceed amount.

PREPARING A PROPOSAL

A well-prepared application can take two or three months or more to pull together. The key is to make your proposal stand out and the merits of your project seem more important than the other applicants'. The proposal must be neat, complete, and on time.

Structure, attention to specifications, concise persuasive writing, and a realistic, well-supported budget are the critical elements of the proposal. Know what the funding organization wants and give it to them. Make the proposal easy to understand, clean, and appealing, and demonstrate that your project has been well planned and thought out. Tailor proposals to specifications found in the application guidelines.

Writing tips:

- Tell a story. What need are you trying to address or what problem are you trying to solve? How many people are affected by it? How will meeting the need or solving the problem help people? Is the need just local, or is it part of a larger issue? Explain how the problem and solution meet the grant or loan program criteria.
- Be specific and to the point. Go only into as much detail as needed to adequately explain your project and the need for the funds you are requesting.
- Define terms and acronyms. Define all of the jargon that you may use in the application. Remember that those reviewing the application will probably not know very much about your district or the services you provide.
- Be clear. Have someone not involved in the project or even with the district read the application to see if they understand it.
- Be accurate. In addition to potentially causing your application to be disqualified, mistakes or inaccuracies may also communicate to those reviewing the application that if you make mistakes on the application you will probably make mistakes administering the grant.
- Don't use elaborate proposal packaging. Make the proposal clean and neat but don't give the impression that you have wasted valuable resources creating the proposal.
- Submit originals and copies only as directed. Don't send unnecessary copies of the same material to different sources. Tailor each application, letter, and proposal to meet the specific needs of each granting source. Only submit as many copies as required.

Proposal Components. Standard proposal components are: The narrative; budget; appendix of support material; and authorized signature. Sometimes proposal applications require abstracts or summaries, an explanation of budget items, and certifications.

- Narrative: Describe the purpose, goals, measurable objectives, and a compelling, logical reason why the proposal should be supported. Background provides perspective and is often a welcome component. Address the following questions:
 - Who are we (organization, independent producer) and how do we qualify to meet this need?
 - What do we want?
 - What concern will be addressed and why?
 - Who will benefit and how?
 - What specific objectives can be accomplished and how?
 - How will results be measured?
 - How does this funding request relate to the funder's purpose, objectives, and priorities?

- Describe the proposed method and process for accomplishing goals and objectives; description of intended scope of work with expected outcomes; outline of activities; personnel roles and functions with names of key staff and consultants, if possible.

- Describe the method of evaluation to measure results.

- Provide a detailed project timeline, including start and end dates, phases of implementation, schedule of activities, and projected outcomes.

- Provide credentials about the applicant that certify ability to successfully undertake the proposed effort. Typically includes institutional or individual track record and resumes.

- Budget: Cost projections provide a window into how projects will be implemented and managed. Well-planned budgets reflect carefully planned projects. Funders use these factors to assess budgets:
 - Can the job be accomplished with this budget?
 - Are costs reasonable for the market, or too high or low?
 - Is the budget consistent with proposed activities?
 - Is there sufficient budget detail and explanation?

Many funders provide mandatory budget forms that must be submitted with the proposal. Don't forget to list in-kind and matching revenue where appropriate. Be flexible about your budget in case the funder chooses to negotiate costs.

Especially for public facilities projects, preliminary engineering should be done before the application is submitted and cost estimates should be prepared by construction professionals. Include the details of the estimate in an appendix to the application.

- **Supporting Materials:** Policies about the inclusion of supporting materials differ widely among funders. Whether to allow them usually depends upon how the materials contribute to a proposal's evaluation. Find out if supporting materials are desired or even allowed.

When included, supporting materials are often arranged in an appendix. These materials may endorse the project and the applicant, provide certifications, add information about project personnel and consultants, exhibit tables and charts, etc.

- **Authorized Signatures:** Proposals may be rejected for lack of an authorized signature. Be sure to allow the time to acquire a needed signature.

AFTER THE SUBMISSION

Follow up. Once your application has been submitted, follow up once or twice with the funding agency to make sure the application was received, to check on the status, and to find out if anything further is needed from the district. Ideally, you will check back enough to indicate you are still engaged but not so often that the staff begins to find you annoying.

Learn from your mistakes and successes. Establish a track record for professionalism. Competition is heavy for funding and good projects are not always funded, but funders are likely to remember your level of professionalism if you apply again. If you are not funded, ask the program staff for a conference to discuss why the application was not approved. Don't argue. Take notes and apply them next time.

If you are funded, be conscientious when implementing the project. Recipients with good track records when receiving and spending funds have a better chance of being funded in the future.

RESOURCES

A sample of available funders is provided below. Some of the programs relate only to specific types of districts, while others are broader in scope. Before requesting an application, contact the organization administering the program to check eligibility.

A. Private Sources, Generally

The Collins Foundation
1618 SW First Avenue, Suite 505
Portland, Oregon 97201-5708
503-227-7171

www.collinsfoundation.org

Grants in support of arts and culture; child welfare and development; education; environmental protection; health equity; and programs to enhance community welfare.

Funding is granted for programs and projects, capacity-building efforts, collaborations, capital projects, challenge match campaigns, and general operations. Applicants must hold 501c(3) tax-exempt status or be tax-exempt public entities.

Cow Creek Umpqua Indian Foundation

2371 NE Stephens Street

Roseburg, Oregon 97470

541-957-8945

www.cowcreekfoundation.org

Twice per year distributes grants of up to \$15,000 each to qualified non-profit tax-exempt charitable organizations in Douglas, Jackson, Klamath, Coos, Josephine, Lane and Deschutes counties, and to local government bodies within Douglas County (in whose boundaries the Cow Creek Tribal Land is located). The Foundation prefers to make small grants that will make a real impact on the project or for the sponsoring program. It generally does not provide support for major capital projects (aside from emergency maintenance and repairs), capital equipment costs, sports programs, special events, and one-time programming. Primary areas for funding are:

- BASIC NEEDS – Food and Emergency Support
- ABUSE PREVENTION & INTERVENTION for Children and Adults
- EDUCATION – Early childhood education and parent education, Vocational education and job training, After school programs, Positive youth development, and Arts education
- HEALTH & WELLNESS
- COMMUNITY SUPPORT

Jackson Foundation

111 SW 5th Avenue, Suite 600

Portland, Oregon 97204

503-464-4920

www.thejacksonfoundation.com

Grants for Portland Metropolitan area, to be used within Oregon for charitable and educational purposes, and for the advancement of public welfare.

Meyer Memorial Trust

425 NW 10th Avenue, Suite 400

Portland, Oregon 97209

503-228-5512

www.mmt.org

General-purpose grants awarded for a variety of projects including human services, health, education, arts and culture, social benefit and environmental.

*Northwest Health Foundation
221 NW Second Avenue, Suite 300
Portland, Oregon 97209
503-220-1955*

www.nwhf.org

Grants to advance, support, and promote the health of the people of Oregon and southwest Washington.

*Paul G. Allen Foundation
505 5th Avenue South, Suite 900
Seattle, Washington 98104*

www.pgafoundations.com

Grants to Oregon and Washington applicants.

B. Public Sources, Generally

*Department of Environmental Quality (DEQ)
700 NE Multnomah, Suite 600
Portland, Oregon 97232-4100
503-229-5696*

▪ Clean Water State Revolving Fund

<https://www.oregon.gov/deq/wq/cwsrf/pages/default.aspx>

Below-market rate loans for the planning, design and construction of water pollution control activities. Eligible public agencies include tribal nations, cities, counties, sanitary districts, soil and water conservation districts, irrigation districts, various special districts and certain intergovernmental entities. "Public agency" in this program is defined by ORS 468.423. If you are unsure whether your organization qualifies, contact DEQ at 503-229-5622.

▪ Nonpoint Source (NPS) Grant Program

Matching grants for projects to reduce and mitigate the effects of nonpoint source pollutants - such as sediment, pesticides, and nutrients - to waters of the state. The funding source is the United States Environmental Protection Agency (U.S. EPA) Clean Water Act (CWA) section 319 grant (CWA 319 grant) to the State Nonpoint Source program. Grant funds may be used to subcontract with private entities, such as environmental consulting or engineering firms, in order to complete portions of projects that are beyond the capacity of the grantee organization.

*Economic Development Administration
915 Second Avenue
Room 1890
Seattle, WA 98174*

Grants to provide economically distressed communities and regions with comprehensive and flexible resources to address a wide variety of economic needs. Support creation and retention of jobs and increased private investment, advancing innovation, enhancing the manufacturing capacities of regions, providing workforce development opportunities, and growing ecosystems that attract foreign direct investment. Designed to leverage existing regional assets and support the implementation of economic development strategies that advance new ideas and creative approaches to advance economic prosperity in distressed communities, including those negatively impacted by changes to the coal economy.

Oregon Parks and Recreation Department
725 Summer Street NE, Suite C
Salem, Oregon 97301
503-986-0690

www.oregon.gov/oprd/hcd/shpo/pages/index.aspx

- Historic Preservation Fund. Grants for archaeological and historic preservation projects. These funds may be used for surveys, inventories, and evaluation of historic and prehistoric resources. Grants may be used to nominate multiple property resources to the National Register of Historic Places.
- Local Parks Grant. Grants to Oregon communities for outdoor recreation projects. The grants are funded from voter-approved Lottery money.

Oregon Department of Energy
Small Scale Energy Loan Program (SELP)
550 Capitol Street NE. 1st Floor
Salem, Oregon 97301
800-221-8035

www.oregon.gov/energy/loans/Pages/selphm.aspx

Loans for energy saving measures to promote energy conservation and renewable energy resource development in Oregon. The program offers competitive fixed interest rate loans for projects that save energy, produce energy from renewable resources, use recycled materials to create products, and use alternative fuels.

Oregon Economic & Community Development Department
775 Summer Street NE, Suite 200
Salem, Oregon 97310-1280
503- 986-0123

www.oregon4biz.com

Grants and loans focusing on economic development projects. Emphasis on water and sanitary projects that are essential for economic development.

Oregon Forestry Department

2600 State Street
Salem, Oregon 97310
503-945-7200

www.oregon.gov/odf

Small grants for training, equipment, and management needs.

Oregon State Fire Marshal's Office
3565 Trelstad Avenue SE
Salem, Oregon 97317
503-373-1540

www.oregon.gov/osp/programs/Pages/SFM_Programs.aspx

Grants for fire districts for hazmat preparedness and other programs.

Oregon Department of Transportation
Oregon Transportation And Growth Management Program
555 13th Street NE
Salem, Oregon 97301
503-986-4349

www.oregon.gov/lcd/tgm/pages/index.aspx

Grants to help local communities plan for streets and land use in a way that leads to more livable, economically vital, and sustainable communities and that increases opportunities for transit, walking and bicycling.

USDA Rural Development
1220 SW 3rd Avenue, Suite 1801
Portland, OR 97204
(503) 414-3300

www.rd.usda.gov/or

Loans and Grants. Rural Development announces the availability of money for many of its programs in the Federal Register, through a Notice of Funds Availability (NOFA). Visit the website for more information.

US Department Of Transportation
Oregon Division Federal Aid
530 Center Street NE, Suite 420
Salem, Oregon 97201
503-399-5749

<https://www.fhwa.dot.gov/ordiv>

Grants for surface transportation programs for highways, highway safety, and transit.

Water Resources Department
Water Development Loan Program
725 Summer Street NE, Suite A
Salem, Oregon 97301

503-986-0900

www.oregon.gov/owrd/pages/mgmt_wdlp.aspx

Loans for community water supply projects.

C. Water Systems and Watershed Management Services.

The State of Oregon has assembled the following list of funding sources for public water systems and protection of the public water supply, but some of those listed provide assistance for other programs as well. Go to each link or website for specifics on eligibility. Source: www.oregon.gov/deq/wq/programs/Pages/DWP-Funding.aspx

State agencies:

Oregon Health Authority

Business Oregon - Infrastructure Finance Authority

Infrastructure Finance Authority
Safe Drinking Water Revolving Loan Fund
Drinking Water Source Protection Fund
Water/Wastewater Funding Program
Special Public Works Fund
Community Development Block Grant
Port Revolving Loan Fund

Oregon Department of Environmental Quality

Clean Water State Revolving Fund Sponsorship Option, Planning Loans, Nonpoint Source Loans, or Local Community Loans
Supplemental Environmental Projects
Nonpoint Source Implementation 319 Grants

Oregon Water Resources Department

Integrated Water Resources Strategy Grants
Municipal Water Management and Conservation Planning
Water Rights and Watermasters

Oregon Department of Forestry

Community Forest Program
Conservation Stewardship Program
Forest Legacy Program
Forest Stewardship Program
Healthy Forests Reserve Program

Oregon Department of Agriculture

Natural Resources Program
Pesticide Analytical and Response Center
Soil and Water Conservation Districts

Oregon Watershed Enhancement Board
Oregon Sea Grant
Source Water Collaborative (Led by U.S. Environmental Protection Agency)

Federal agencies:

U.S. Environmental Protection Agency

Catalog of Federal Funding Sources for Watershed Protection
Environmental Finance Centers
Cooperative Watershed Management Program

U.S. Department of Agriculture

Farm Service Agency Conservation Programs
Natural Resources Conservation Service
Rural Development Water and Waste Disposal Direct Loans and Grants

U.S. Department of Commerce

Community Development Block Grant Planning Program

Land trusts:

Coalition of Oregon Land Trusts
Land Trust Alliance
The Trust for Public Land
The Nature Conservancy
Locate a land trust in Oregon

Foundations:

The Oregon Community Foundation / Community Grant Program
National Fish and Wildlife Foundation
Access Fund Foundation
The Collins Foundation
Giles W. and Elise G. Mead Foundation
Rose E. Tucker Charitable Trust
Doris Duke Charitable Foundation
Bonneville Environmental Foundation
The Bullitt Foundation
Water Research Foundation - Source Water Protection Cost-Benefit Tool
Weyerhaeuser Foundation
Laird Norton Foundation

Other Resources:

Rural Community Assistance Corporation
Ecotrust

D. Resources for Locating Funding Sources.

Private Foundations

- GuideStar
www.guidestar.org
Online database of more than 850,000 U.S. private nonprofit organizations including foundations.

- The Oregon Foundation DataBook
C&D Publishing
1017 SW Morrison, Suite 500
Portland, Oregon 97205
503-274-8780
www.foundationdatobook.com/pages/or/or1.html

- The Foundation Center
79 Fifth Avenue/16th Street
New York, New York 10003-3076
212-620-4230
www.foundationcenter.org

Government Funding. All federal grant opportunities are now listed at www.grants.gov. The web page permits users to review all new grant announcements since their last visit, search for grants by keyword, or receive electronic notices of new grants as they are posted.