

Disclaimer

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Leverage 101 for Continuum of Care Projects

U.S. Housing and Urban Development (HUD) homeless program funding is limited and can provide only a portion of the resources needed to successfully address the needs of homeless families and individuals. HUD encourages applicants to use supplemental resources, including state and local appropriated funds, to address homeless needs.

Leveraging includes all funds, resources, and/or services that the applicant can secure on behalf of the client being served by the proposed project. While leveraging includes all cash matching funds, it is broader in scope, including any other services, supplies, equipment, space, etc. that are provided by sources other than HUD. An example of leveraging would include a project that provides case management through Medicaid or Department of Mental Health funding. The total costs involved in delivering the case management (percentage of salary, fringes, other benefits) can be included in leveraging.

Identify sources of leverage for the proposed project for the length of the grant requested. HUD requires 25% cash and in-kind match for the CoC grant. It is recommended that the amount leveraged by your project combined with your cash and in-kind match funds should equal at least 2:1 the amount of your grant requested to HUD. This is extremely important, as the amount of leverage directly impacts your ranking and the competitiveness of the Continuum of Care application.

Cash contributions

Recipient or subrecipient must provide the cash match and leverage. It is important to note that some Federal sources of funding outside of HUD do not allow their funds to be used as match; applicants need to confirm with each source of funding whether the use of such funding for match purposes is permitted. CoC program funds cannot be used to match other CoC funded projects.

In-kind contributions

The recipient or subrecipient may use the value of real property, equipment, goods, or services contributed to the project as match and leverage. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.

Please note: When submitting your federal application, you will be required to have a written commitment in hand for any leveraged items including signed letters, memoranda of agreement, and other documented evidence of commitment. You must identify whether the contribution comes from government or private sources. Leveraging items may include any written commitment that will be used towards your cash match requirements in the project as well as any written commitments for buildings, equipment, materials, services and volunteer time. These written commitments must be

documented on letterhead stationary, signed and dated by an authorized representative, and must, at the minimum contain the following elements:

1. The name of the project including the applicant and sponsor organization to which the contribution will be given;
2. The name of the organization providing the contribution;
3. The date that the contribution will be available (this should specify the timing to coincide with the project program year);
4. The value of the contribution and how that value was determined: donated professional services should be valued at the customary rate and volunteer time should be valued at \$10 per hour. For example, "Ohio Mental Health Agency will provide 100 hours of case management services to 15 consumers that are in the Shelter Plus Care program. This is calculated at 100 hours x \$80/hour for case management x 15 consumers for the five years of the grant = \$120,000" or "40 volunteer hours valued at \$10/hour = \$400" or "clothing valued at resale value in used good store - 30 outfits x \$8 (avg. cost for outfit) = \$240"
5. **MUST NOT** have soft wording in the statement, such as, "if the Ohio Metropolitan Housing Authority is approved for the Shelter Plus Care program"; "subject to Ohio Homeless Coalition being approved for the Supportive Housing Program"; "we intend to provide funding to Ohio Transitional Housing Program when they are funded"
6. In regards to cash resources, the type of activity for which the funds will be used needs to be noted in the letter (e.g., case management, child care, education).
7. A separate leverage letter should be obtained for each project.

(Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. §§ 1001, 1010, 1012, 31 U.S.C. §§ 3729, 3802).

Types of leveraging:

Advocacy (customary rate)

- Assistance to immigration
- Benefits advocacy
- Housing advocacy
- Legal assistance, representation, and referrals
- Mental health advocacy
- Tenant rights workshops

Buildings (customary rate) **** the value of commitments of land, buildings, and equipment are one-time only** and cannot be claimed by more than one project (e.g., the value of donated land, buildings or equipment claimed in the 2006 and prior years for a project cannot be claimed as leveraging by that project or any other project in subsequent competitions).

- Office space
- Storage space
- Property
- Acquisition, rehabilitation, new construction of building

- Leasing

Cash (customary rate)

- Rent
- Utilities
- Client program fees
- Private donations

Children (customary rate)

- After-school children's program
- Child development consultation
- Child care services
- Children's books, training, art supplies
- Children's art program
- Children's holiday party and shopping spree
- K-12 homeless education
- Parenting classes
- Summer camp
- Therapeutic day care

Counseling (customary rate)

- Bereavement counseling and pastoral services
- Counseling services
- Crisis intervention
- Landlord/tenancy counseling
- Recovery groups
- Support groups
- Therapy

Education, Employment, and Training (customary rate)

- Computer classes
- Benefits and work workshops
- Education
- Job development
- Job research
- Job placement
- Job retention
- Leadership training
- Life skills training
- Literacy
- Nutrition education/cooking classes
- School supplies
- Training tuition
- Tutoring
- GED training

- Uniform vouchers
- Vocational services

Equipment (customary rate)

- Clothing, furniture, food, equipment, etc. donations
- Computer supplies
- Office supplies
- Cell phones
- Copier/printer supplies
- Internet connection
- Holiday or birthday gift donations

Financial Services (customary rate)

- Asset/resource management services
- Money management
- Representative payee services

Health (customary rate)

- Acupuncture
- Adult day health care
- AIDS-related services
- Dental services
- Detoxification services
- Dual diagnosis services
- Emergency room services
- Gynecological services
- Health care resources and education
- Healthcare services
- Medical services
- Psychiatric services
- Prescription medication/pharmaceutical services
- Medication support
- Mental health service
- Peer support
- Pregnancy testing
- Prenatal care
- Psychotherapy
- Residential and outpatient treatment services
- Respite care
- Substance abuse services
- Triage

Housing (customary rate)

- Housing placement

- Housing search
- Maintenance/beautification projects
- Move-in assistance
- Property management
- Furnishings
- Household Items

Human Resources (customary rate)

- Pre-employment process
- Consultation staff
- New employee orientation
- Volunteer staff hours

Program operations (customary rate)

- Administrative oversight (e.g., accounting, CEO, support staff)
- Administrative support
- Clerical services
- Consulting and practical services
- Facilities
- Indirect expenses
- Mail service
- Office/workshop space
- Programming
- Voicemail
- Maintenance & repairs
- Insurance
- Furnishings
- Program relocation fees
- Food

Services (customary rate)

- Artistic services
- Community development
- Family support services
- Grooming
- Independent living skills
- Mentoring
- Outreach
- Recreational trips and activities
- Referrals
- Restraining order assistance
- Support services supervision
- Team leader
- Technical assistance

- Translation services
- Veterans Services
- Health club membership
- Case management
- Addiction treatment
- Child care
- Health/medical care
- Dental services
- Employment, vocational & job training
- Housing & support services
- Psychosocial services
- Mental health treatment
- Legal services
- Transportation
- Life skills
- HIV/AIDS services
- Transitional living services

Transportation (customary rate)

- Subsidized/free bus passes
- Transportation
- Vehicle

Volunteer time (\$10/hour)

- Attendance at AA, NA, CA, DRA, Al-Anon, Gambler's anonymous – obtain signed statement from group leader regarding hours in attendance
- Program volunteers – volunteers that help with gardening, children's groups, filing, answering phones, groups, painting, meal preparation/serving, etc.

Providers of Leverage:

- Community Development Block Grant (CDBG) funds - Majority of CDBG funds must be used for "bricks and sticks", such as acquisition, rehabilitation, new construction of property. A small percentage can be used to fund services and non-capital expenses of programs serving low- and moderate-income residents. Each community determines how their funds will be utilized.
- Home Investment Partnership Act (HOME) funds – Funds are targeted to low-income persons and can be used for: homeowner based housing rehab acquisition of single family homes, new construction, tenant based rental assistance, and/or acquisition/rehabilitation of rental housing.
- Emergency Shelter Grant (ESG) – Funds are for services and shelter for homeless persons, eligible activities include: rehab of shelter or transitional housing operations and maintenance costs of shelter or transitional housing – supportive services for homeless persons and homeless prevention.
- Board commitment of cash donations – Every non-profit should engage in some form of fundraising in order to generate unrestricted funds for their budget.

These fund raising activities no matter whether an annual dinner, golf outing, bake sale, etc. can be used as match for grant.

- United Way Funding – Funding allocations generally focus on: helping children succeed; strengthening and supporting families; promoting self-sufficiency; and building vital and safe neighborhoods.
- Local/Community Foundations – Funding from foundations can be used to provide gap or matching funds that leverage larger federal dollars.
- Federal Home Loan Bank – Funding can be utilized to finance the purchase, construction, and/or rehabilitation of owner-occupied housing for families with incomes at or below 80% of the median income for the area and/or finance the purchase, construction, or rehabilitation of rental housing in which at least 20% of the units are occupied by and affordable to households with incomes at or below 50% of the area median income. For additional information see: http://www.fhlbcin.com/05_ComInv.asp
- Fannie Mae - Funding is available to address housing and community development initiatives and advance efforts to prevent and end homelessness. For additional information see: <http://www.fanniemae.com/aboutfm/responsibility/charitablegiving.jhtml?p=Community+%26+Charitable+Giving>
- SAMHSA – Several SAMHSA grants target individuals with mental illness and/or substance abuse. Mental Health Block Grant funds for services such as outreach, case management, PATH program, and other supportive services may be used as match for housing programs. Likewise, Federal Substance Abuse Block Grant funds may be used for all or a portion of the required supportive services match. For a complete listing of SAMHSA programs, see <http://www.samhsa.gov/grants/>
- Special Population Grants – Several U.S. Department of Health and Human Services grants target special populations and homelessness. For a complete listing of HHS programs that address homelessness, see <http://www.hhs.gov/homeless/>
- Ohio Department of Mental Health – Capital Funding can be utilized for acquisition, rehabilitation, and/or new construction. Contact your local Mental Health Board for details.
- Runaway and Homeless Youth Programs – Funding can be utilized for crisis intervention and emergency shelter; street outreach; transitional living programs; transitional housing and supportive services for youth aged 16-21. For additional information see, <http://www.acf.hhs.gov/programs/fysb/>
- Ryan White Comprehensive AIDS Resources Emergency (CARE) Act provides funding to develop, coordinate and operate health care and supportive services to medically underserved individuals and families affected by HIV.
- Veterans Administration – Funding can be utilized for per Diem subsidies or capital. See <http://www1.va.gov/homeless/page.cfm?pg=3> for more details
- Ohio Housing Trust Fund – Provides flexible funding for a wide range of housing activities including housing development, emergency home repair, handicapped accessibility modifications, and services/programs for homeless.
- Mental health treatment facility

- Alcohol or other drugs treatment facility
- Consumer operated services
- 211 and/or local help line
- Medical/dental providers – hospitals, physicians, clinics
- Child care providers
- Local One-Stops
- Bureau of Vocational Rehabilitation
- Legal Aid
- Churches

ON DONOR AGENCY LETTERHEAD - Sample Leverage Letter

Date: Month Day, Year

To: Executive Director of Applicant Agency,

Subject: Commitment to the _____ (name of homeless project)

** A. For Service, Leasing or Operations costs

“_____ (Name of donor agency) commits to provide a contribution worth \$_____ over the next _____ (1, 2, 3, 5, 10) years to _____ (name of sponsor organization). Our contribution for _____ (operations or type of service: e.g., cash, childcare, case management, clothing, food, etc.) will be available beginning _____ (date project to begin) through _____ (date project to end) * the date should be between January 1 – December 31, 2009 for new projects and coincide with the next program year for renewal projects.”

- If professional services based on an hourly rate are involved, add the following to the first two sentences. “The commitment is calculated based upon _____ hours of _____ (type of service) at our normal rate of \$_____/hour.”
- If non-professional/volunteer services are involved, add the following to the first two sentences: “The commitment is based upon _____ hours of service at the rate of \$10.00/hour.”
- If the donation is a physical item, add the following to the first two sentences. “The amount of the contribution is based upon a donation of _____ (units) of _____ (type of contribution).”

** B. For Leased Housing

- If housing is to be leased at below market rents, state the following: “We agree to lease _____ (number of units) to _____ (name of the agency leasing) at the following rents for _____ (# of years/if new project, after January 1, 2009; if renewal, coincide with program year.” * You will need to use some standard – fair market rate, documented comparable rents, a letter from a realtor establishing comparable rents – to calculate the amount of benefit representing the difference between standard rents and the agreed upon rents.

** C. For Capital Costs of Acquisition/Rehabilitation/Construction

- “_____ (Name of donor agency) commits to provide \$_____ in the form of (cash, land, building, etc.) to the _____ (sponsor organization) to pay for _____ (acquisition/rehabilitation/construction) costs. The funds will be available by January 1, 2009.”

Sincerely,

“Signature” (Agency Director providing the leverage)

Signer’s Name

Signer’s Title

Ohio County Permanent Supportive Housing Program
111 W. High St.

Ohio City, Ohio 41111
(614) 280-5555

March 21, 2015

Re: Ohio County Transitional Housing Program – Commitment Letter for the 2015
Ohio County Permanent Supportive Housing Program Renewal

The Ohio County Permanent Supportive Housing Program commits to provide a contribution worth \$388,750 over the next year towards our Permanent Supportive Housing Program. Our contribution of cash, HMIS administration, office space and facility value will be available beginning January 1, 2016 through December 31, 2016 to coincide with our program's contract year. The break-down of the contributions are as follows - \$25,000 (from our fundraisers and general donations) will be utilized towards supportive services; \$750 (\$10 per hour for 75 hours of data entry) for HMIS Administration; \$8,000 (400 square foot of office space at \$20 per square foot); and \$388,750 (value of housing units – once and only time that agency will utilize value of building towards leverage of project).

Our organization will collaborate with other community social services agencies, faith-based organizations and government entities to secure the additional leverage needed for this project.

Sincerely,

Alice Agency Director
CEO Ohio County Permanent Supportive Housing Program

This form must be on letterhead of the entity providing the resource

Documentation of Leveraged Resource or Cash Match

Information regarding the leveraged resource or cash match to be provided by this agency is in the chart below.

Name of organization providing contribution	
Is this leverage or match	
Type of contribution (e.g., cash, childcare, case management, etc.)	
Number of clients to be served with this contribution	
Value of the contribution per client	
Total value of the contribution	
Name of project	
Name of project sponsor agency	
Date the contribution will be available (MM/DD/YY through MM/DD/YY) *for renewals, this date must coincide with the operating year	
Name of person authorized to commit these resources	
Title of person authorized to commit these resources	
Signature of person authorized to commit these resources.	
Date	

**Supportive Housing Program and/or Shelter Plus Care
Supportive Services Tracking Form**

Name of Service Provider: _____

Client Name: _____

YES	SERVICES OR REFERRAL	HOURS	RATE	MATCH \$
	a. Outreach			
	b. Case Management/Care			
	c. Intensive Day Treatment/Therapy			
	d. Life Skills Training			
	e. Alcohol and Drug Abuse Services			
	f. Mental Health Service			
	1. Hospitalization			
	2. Other			
	g. AIDS Related Services			
	h. Health Care			
	1. Clinic			
	2. Other			
	i. Education (GED or Other)			
	j. Employment Services			
	1. Job Training Enterprises			
	2. Other			
	k. Child Care			
	l. Children Services			
	m. Residential Management Services			
	n. Follow-up (transitional housing)			
	o. Crisis Bed			
	p. Representative Payee Services			
	r. Food Pantries			
	s. Other:			
TOTAL SUPPORTIVE SERVICES MATCH =				

I verify in accordance with Federal reporting guidelines that the above information is accurate and correct.

Date

Signature