

# INFORMATION ON LEVERAGE LETTER REQUIREMENTS

7-30-17

It is important to the success of the Balance of State Application that we demonstrate that we are able to leverage other Federal, local and state funds in our projects.

**Leverage can be cash or the value of labor or materials provided to the project (in-kind).** It can include below-market lease payments by agencies, rental income for tenants put back into the program, volunteer labor at \$10/hour or if professional labor (Lawyers, Doctors, etc) is provided, it can be valued at the going cost of the service. It can also include services provided for free or at reduced rates by other agencies and staff time of your agency that is not reimbursed by the McKinney-Vento grant. In short, leverage includes everything but the McKinney-Vento grant as long as a firm letter of commitment is obtained meeting the requirements of the models below. Applicants are encouraged to maximize their leverage points by requesting letters which cover the full term of the grant period requested. Only letters and agreements meeting the below requirements that are dated after July 14, 2017 and submitted by the deadline of August 28, 2017 will be accepted for rating purposes. **Only letters with firm commitments will be accepted** (no “subject to receipt of grant or subject to budget approval” etc. will be accepted for determining the amount of leverage. All letters should be forwarded by e-mail to [ian.kinderpyle@commerce.wa.gov](mailto:ian.kinderpyle@commerce.wa.gov) as part of the application.

*Model Commitment or Donation Letter for Leverage for*  
**New Projects**

Guide:

**Bold Print** = Suggested Text

Regular Print = (Explanation of fill-in item)

Typed on Donor Agency Letterhead

**To:** \_\_\_\_\_ (*Sponsor of Project*)                      \_\_\_\_\_ (*a date between July 14 and August 28, 2017*)

**Subject: Commitment to the** \_\_\_\_\_ (*Name of Homeless Project*)

*(A. For Services, Leasing or Operations Costs):*

**If the** \_\_\_\_\_ (*name of homeless project*) **is awarded HUD McKinney funds,**  
\_\_\_\_\_ (*name of agency, church, organization, government, person or business*) **commits to**  
**provide contributions worth \$\_\_\_\_\_ over the next year 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 for the 12 month period beginning February**  
**1, 2018 (beginning date of the potential Program Period for the grant).**

1. (If professional services based on an hourly rate are involved add the following to the first two sentences of A.): **The commitment is calculated based upon \_\_\_\_\_ hours of \_\_\_\_\_** (*type of service*) **at our normal rate of \$\_\_\_\_\_/hour.**

2. (If non-professional/volunteer services are involved add the following to the first two sentences of A.): **The commitment is based upon \_\_\_\_\_ hours of service at the rate of \$10.00/hour.**

3. (If the donation is a physical item, add the following to the first two sentences of A.): **The amount of the contribution is based upon a donation of \_\_\_\_\_** (*units*) **of \_\_\_\_\_** (*words describing the contribution*).

4. If the donation is space, the following to the first two sentences of A.):

5. If the donation is housing or office space leased at below market rents, state the following:) **We agree to lease**  
\_\_\_\_\_ (*number of units*) **to** \_\_\_\_\_ (*name of the agency renting or participants in the agency's program*) **at**  
**the following rents of \_\_\_\_\_** (*# of units by bedroom size and \$ for rent*) **for a one year period beginning**  
**February 1, 2018.** (You will then need to use some standard - Fair Market Rents, documented comparable rents, a letter from a realtor establishing comparable rents - to calculate the amount of the benefit representing the difference between standard rents and the agreed upon rents).

**Sincerely,**

\_\_\_\_\_ (*must be signed by an authorized representative of the donating agency*)

\_\_\_\_\_ (*title*)