

Sample Leverage Letter

ON DONOR AGENCY LETTERHEAD

Date: (month, day, year)

To: (executive director of applicant agency)

Subject: Commitment to (name of homeless services project)

Option A. For Service, Leasing or Operations costs

(name of donor agency) commits to provide a contribution worth \$(amount) over the next (number) years to the (name of the project agency) (name of the project) project. Our contribution for (specific type of eligible service or operations cost) will be available beginning (date project/ services to begin) through (date project/services to end).

If professional services based on an hourly rate are involved, add the following to the first two sentences:

The commitment is calculated based upon (number) hours of (type of service) at our normal rate of \$ amount /hour.

If non-professional/volunteer services are involved, add the following to the first two sentences:

The commitment is based upon (number) 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 (number) units of (type of contribution).

B. For Leased Housing

If housing is to be leased at below market rents, state the following:

(name of donor agency) agree to lease (number of units) to (name of the project agency) (name of the project) project at the following rents for (number of years). The units will be available beginning (date will be available).

Note: 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 \$ amount in the form of (cash, land, building, etc.) to (name of the project agency) (name of the project) project to pay for (acquisition/rehabilitation/construction) costs. The funds beginning (date will be available).

Sincerely,

(signature of donor agency director)

(signer's name)

(signer's title)

(signer's contact info)