

ATTACHMENT 3

Suggested Format Commitment or Donation Letter for Leverage

On Donor Agency Letterhead

To: _____ (Sponsor of Project) _____ (Date)
Subject: **Commitment to the** _____ (Name of Homeless Project)

(A. For Service, 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 a contribution worth \$_____ over the next _____ year(s) (1, 2, or 3) 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 _____ (the date should be between January 1 - December 31, 2003 for new projects and coincide with the next program year for renewal projects).**

1. (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.**
2. (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.**
3. (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, 2003; if renewal, coincide with program year). (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. You could obtain the commitment for more than a year even if escalators were included.)**

(C. For Capital Costs of Acquisition/Rehabilitation/Construction):

If the _____ (homeless project) is awarded HUD McKinney Funds, _____ (name of agency, church, organization, government, business) **commits to provide \$ _____ in the form of _____ (cash, land, building, etc.) to the _____ (name of sponsor organization) to pay for _____ (Acquisition/Rehabilitation/Construction) costs. The funds will be available by January 1, 2003.**

Signed by:

_____ (name of authorized representative)
_____ (title)