Leverage Guidance for Continuum of Care Projects

**Project Leveraging** - Leveraging is source or provider funding (cash, goods and services) which are not parts of the operating or services budget of the requested grant funds;

Cash Match (S+C is a NON-cash match) - Leveraging may also be considered the value of the Match requirements for both service and operating cash or S+C non-cash match.

Contributions may be leveraged through Federal, State, local or private sources, including mainstream housing and social services. Values are assigned by the provider of the service based on the real cost of the service.

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, OTDA or NYS OMH. 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. It is recommended that the amount leveraged by your project combined with your cash match funds should equal at least 2:1 the amount of your grant requested to HUD. Please ensure that your leverage is at a minimum of 2:1, this is extremely important, as the amount of leverage directly impacts your ranking and the competitiveness of the Continuum of Care application. Ideally in in funding rounds moving forward HUD would like to see us with a 150% direct leveraging amount above project funding request to gain the maximum project points.

**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. Any MOU documents must not be signed before December 5, 2013, nor after February 3, 2014. Please advise me of any MOU’s that you will be generating and types of leveraging so that I may include a description of our CoC Leveraging strategies in the Collaborative Application.
Types of leveraging:

**Cash (customary rate)**
- Rent
- Utilities
- Client program fees
- Private donations

**Services (customary rate)**
- 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

**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

**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 FY2012 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
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- Property
- Acquisition, rehabilitation, new construction of building
- Leasing

Program administration (customary rate)

- Administrative oversight (e.g., accounting, CEO, support staff)

Program operations (customary rate)

- Maintenance & repairs
- Insurance
- Furnishings
- Program relocation fees
- Food

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
- Home Investment Partnership Act (HOME) funds
- OTDA STEHP funding
- Board commitment of cash donations
- United Way
- Local/Community Foundations
- Federal Home Loan Bank
- SAMHSA
- 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/
- Runaway and Homeless Youth Programs
- Veterans Administration – Funding can be utilized for per Diem subsidies or capital.
- 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
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- Child care providers
- Legal Aid
- Churches

For SHP Programs

- Acquisition, New Construction and Rehabilitation Funds = 100% Cash Match
- Supportive Services Funds = 20% Cash Match
- Operations Funds = 25% Cash Match

Shelter Plus Care Program

- Must be matched 100% with Supportive Services

Example Supportive Housing Program (SHP):

A SHP Transitional Housing (TH) program is designed to serve 10 homeless persons at any point in time. You are asking for operating funds and administrative funds from HUD in your project application.

Leverage resources could include:

- Cash -- The 25% cash that they will use to “match” their operating funds from HUD.
- Cash -- Any other cash the agency has to put into the TH program to make it operate.
- Cash -- The cash/grants that the agency acquires to provide the services to the clients.
- Non-cash community leverage -- The myriad of services that the 10 clients of the TH program are expected to receive over the course of their stay (e.g. medical services, legal services, educational services, job training services, substance abuse services, mental health services, etc.)
- Non-cash community leverage – Tangible items that the clients may receive during the course of their stay (e.g. food baskets from a food pantry, “move-in” items from a church, holiday gifts from a church giving tree, etc.)
- Volunteer services, valued at $10/hour – Any volunteer time that is provided to the program (e.g. volunteers who provide evening entertainment, volunteers who teach a class in personal organization, volunteers who provide outings for the residents, etc.)
- Volunteer services, valued at a professional rate – Any “professional” volunteer service that is generated for the clients (e.g. a medical doctor comes once a month to see residents; a lawyer provides pro-bono legal services, etc.)
- Building – HUD allows the value of the building that the TH program is operating in to be counted one time as leverage. Usually this is done during the “new program” application, not in the renewals, unless it has not been used prior.
S+C Supportive Service Match

For Shelter Plus Care Program - Must be matched 100% with Supportive Services

**Example Shelter Plus Care (S+C):**

An existing S+C program is applying for renewal funding for 10 one-bedroom units at $500 Fair Market Rate (FMR). The grant request or ARD from HUD would be $60,000.

Leverage resources could include:

- Cash -- Any other cash the agency has to put into the S+C program to make it operate (e.g. space, telephone, utilities, etc. for staffing of the program.)
- Cash -- The cash/grants that the agency acquires to provide the case management services to the clients.
- Cash – Any funding over the 8% administrative fee which is needed to cover administrative costs for the S+C.
- Non-cash service leverage – The value of the community services that that particular S+C population requires (e.g. for a mental health program – mental health services, for a HIV/AIDS program – medical services, etc.)
- Non-cash community leverage -- The myriad of services that the 10 clients of the S+C program are expected to receive over the course of their stay that are not their primary issue services (e.g. medical services, legal services, educational services, job training services, substance abuse services, mental health services, etc.)

Note: S+C is not required to have a cash-based match. The documentable match for HUD (via the Annual Progress Report) for a S+C program is one of the above items that is also considered “leverage” (e.g. medical services, educational services, etc.). S+C providers should clearly note on their leverage inventories the items that they want to be considered as their “match” for audit purposes.