



## **Social Impact Solutions**



**DENVER**  
THE MILE HIGH CITY

Request for Qualifications for  
Evaluator for Denver's Supportive Housing Social  
Impact Bond Initiative

Responses Due:  
November 17, 2014

The Corporation for Supportive Housing (CSH), Enterprise Community Partners, Inc. (Enterprise), Social Impact Solutions (SIS), and the City of Denver is soliciting Requests for Qualifications from qualified persons/firms with demonstrated capacity and experience to develop and implement a rigorous evaluation of a social impact investment initiative that will provide supportive housing to chronically homeless individuals who struggle with mental health and substance use challenges.

### **About CSH, Enterprise and SIS**

Corporation for Supportive Housing transforms how communities use housing solutions to improve the lives of the most vulnerable people. We offer capital, expertise, information, and innovation that allow our partners to use supportive housing to achieve stability, strength, and success for the people in most need. CSH blends over 20 years of experience and dedication with a practical and entrepreneurial spirit, making us the source for housing solutions.

Enterprise Community Partners, Inc. works with partners nationwide to build opportunity. We create and advocate for affordable homes in thriving communities linked to jobs, good schools, health care and transportation. We lend funds, finance development and manage and build affordable housing, while shaping new strategies, solutions and policy. Over more than 30 years, Enterprise has created nearly 320,000 homes, invested \$16 billion and touched millions of lives.

Social Impact Solutions principals have several decades of high level policy development, financing and implementation experience. Through SIS, they are leading Pay for Success / Social Impact Bond efforts throughout Colorado. They support clients in positioning successful programs for innovative finance through feasibility studies, financial modeling, identification of funders and structuring deals.

### **About the City and County of Denver**

**Denver**, officially the **City and County of Denver (the “City”)** is the largest city and capital of Colorado. Denver is also the second-most populous county in Colorado. The City has been studying the feasibility of using social impact bond financing for the past year and has identified a population of chronically homeless individuals as the target population best fit for using Social Impact Bond financing to fund outcomes-oriented solutions. The initiative builds upon the work of the Denver Crime Prevention and Control Commission, which has identified, tracked, and begun a pilot program with the target population. The City funds several homelessness programs and interacts with homeless individuals in multiple ways. The proposed Social Impact Bond initiative has become a vital piece of the Mayor’s strategy to move the City towards preventative and lasting solutions for addressing the underlying causes of homelessness.

## **Background and Program Overview**

In the City and County of Denver, data was collected on 300 people who are chronically homeless with substance use disorders and/or mental health challenges. For just this cohort of chronically homeless adults, the Denver Crime Prevention and Control Commission determined that Denver spends roughly \$11 million each year, including hospital visits, run-ins with the police and visits to detox facilities.

It is well documented that supportive housing – which offers permanent affordable housing and linkages to support services for physical and mental health, substance abuse and other issues – can reduce long-term spending on emergency services such as shelter, emergency hospital services, police, court and jail services, while improving outcomes for chronically homeless individuals. For example, studies show that every dollar spent on permanent supportive housing saves up to two dollars elsewhere in public spending. However, despite mounting evidence of effectiveness, local governments often have trouble securing the necessary investments for supportive housing.

At the Clinton Global Initiative meeting in June 2014, Denver Mayor Michael B. Hancock announced the City's intention to develop a new initiative that will connect high utilizers of public services with supportive housing. Supportive housing for these individuals will address the underlying causes of homelessness, including mental illness and substance abuse, while also reducing criminal justice and emergency health system costs.

The Mayor has asked for design and implementation plans for an initiative to serve 200-300 high utilizers of public services, most of whom are chronically homeless. This initiative will span the next six years leveraging a wide array of existing public funding supplemented with resources developed through Social Impact Bond (SIB) financing. In recent years, there has been increased public and private interest in Social Impact Bonds, a financial tool that harnesses private capital to support critical but underfunded public services. SIBs are a promising tool for creating new public-private partnerships to tackle some of the most pressing social and economic problems facing low-income communities, all while ensuring that any taxpayer investment yields measurable results. Under a typical SIB contract, private investors provide upfront capital to fund a proven intervention. Investors are paid back by the government with a financial return only if pre-defined social outcomes are achieved. Often the financial return to investors comes from the money saved through a reduction in government spending. If the program falls short, the investors could potentially incur losses. For more information about Social Impact Bonds, please visit <http://hks-siblab.org/>.

In September of 2014, CSH, Enterprise and SIS released a RFQ to identify local supportive housing developers and service providers to partner on this initiative to connect up to 300 chronically homeless individuals and high utilizers of public services with supportive housing and intensive case management. Several strong applications were received and the selection committee is now working to narrow down the list of providers that will be partnering in this initiative.

The program aims to address the challenges that vulnerable individuals experience in obtaining and sustaining stable housing, including mental health and substance use issues, while also reducing Denver's criminal justice and emergency health systems costs. The primary goals of this initiative are to:

- House and serve 200-300 high utilizers of government services (including jails, shelters, substance use, judicial, law enforcement, health and mental health services)
- Successfully (re)integrate participants into the community in stable, affordable housing
- Improve overall health of participants and increase use of appropriate preventive health services while reducing use of crisis care such as hospital emergency rooms, inpatient services, detox facilities, etc.
- Reduce utilization of Denver City and County jail, court, police and medical services
- Demonstrate SIB as financing mechanism

### ***Key Program Elements***

#### Target Population

The initiative will target high utilizers of government services (most of whom are chronically homeless individuals, defined as having a chronic debilitating condition, and sleeping in a place not meant for human habitation and/or in an emergency shelter and/or in a safe haven, and having been homeless continually for one year or more OR having four or more episodes of homelessness in three or more years.) This RFQ will be used to identify evaluation persons/firms to conduct a rigorous evaluation to assess the impact and cost-effectiveness of the Social Impact Bond initiative.

High utilizers are those individuals who are frequently before the court, in jail, and habitually using a spectrum of resources including:

- Health care services -- emergency rooms, detox, and ambulatory services.
- Criminal justice services -- arrests, jail admissions and discharges.

Based on data and reports from the Denver Crime Prevention and Control Commission, there are at least 300 individuals in the City and County of Denver County who are anticipated to meet the definition outlined above. Housing and service providers will collectively target this specific population using administrative data, conducting outreach/in-reach to Denver County Jail, Denver Health, Continuum of Care, and other public entities.

#### Permanent Supportive Housing

This initiative will identify and provide affordable, permanent supportive housing to the target population. All housing must meet the definition of Permanent Supportive Housing which means:

1. Housing that is affordable, meaning the tenant household ideally pays no more than 30% of their income toward rent, that can be located in a single site or scattered in multiple locations in the community
2. Housing that provides tenant households with a lease or sublease identical to non-supportive housing — with no limits on length of tenancy, as long as lease terms and conditions are met
3. Housing that proactively engages residents in a flexible and comprehensive array of supportive services, without requiring participation in services as a condition of ongoing tenancy. This includes onsite services and/or community based, intensive case management models like Assertive Community Treatment (ACT) and Forensic Assertive Community Treatment (FACT)
4. Informed property or landlord management – Property management maintains a balance between ensuring the effective operation and management of the physical facility and fostering tenants' housing stability and independence.
5. Housing that supports tenants in connecting with community-based resources and activities, interacting with diverse individuals including those without disabilities, and building strong social support networks.

Additionally, programs will encompass the following four elements found to be essential to the achievement of the initiative goals:

1. *Housing First* -- The goal of "housing first" is to immediately house people who are homeless. Housing comes first no matter what is going on in one's life, and the housing is flexible and independent so that people get housed easily and stay housed. Housing first can be contrasted with a continuum of housing "readiness," which typically subordinates access to permanent housing to other requirements. Housing first is a low-barrier entrance process that supports moving persons quickly into housing of their choice from settings such as the streets or shelters, without preconditions of treatment acceptance or compliance.
2. *Harm Reduction* -- A model of substance-use intervention that focuses on helping people who use substances to better manage their use and reduce the harmful consequences to themselves and others, including actively working to prevent evictions. In conjunction with housing first and supportive housing, using the harm reduction philosophy means that individuals do not have to sober to be eligible to enter housing and are not evicted solely for a failure to maintain sobriety.
3. *Person-Centered Care* -- Where services are voluntary, customized and comprehensive, reflecting the individual needs of tenants, and, tenants have meaningful opportunities to engage in the community.
4. *Assertive outreach and engagement* -- Programs conduct assertive outreach to engage and recruit members of the target population. Programs will engage target population members and offer them the opportunity to obtain affordable housing along with health and social services.

Social Impact Bond Financing

There are many types of pay for performance contracting in which the government agrees to pay based on agreed upon specified outcomes. SIBs are one form of contracting which fall within the larger category of Impact Investing.

SIBs raise funds from a variety of non-governmental sources to support programs and services. Successful program outcomes are required in order to trigger repayment. There are numerous variations on how to structure these types of contracts. In exchange for investing in an intervention, funders receive their initial investment plus a possible return on investment if pre-determined outcomes are reached that generate savings of taxpayer dollars or agreed upon success metrics are achieved.

The benefits are threefold:

1. The nonprofit provider receives a predictable, committed funding stream for a defined period of time not subject to government cuts in order to provide services and scale up successful interventions;
2. Government is able to target public resources for successful interventions while encouraging innovation in new solutions from non-governmental partners;
3. Investors have the potential to earn a return on a successful investment while achieving a social good.

SIBs reduce the risk of public funds being utilized for ineffective interventions. They allow public programs to have clear, established goals aimed at tackling the most pressing social concerns and consequently, for taxpayer money to be directed at the most promising interventions.

### **Purpose of this RFQ**

The purpose of this RFQ is to seek information from independent evaluation entities interested in and qualified to develop and implement a robust and rigorous evaluation for this initiative. This document is not intended as a formal offering for the award of a contract or participation in any future solicitation. CSH, Enterprise, SIS and the City are currently working to secure resources that would provide support for the evaluation.

The issuers of the RFQ reserve the right, at their sole discretion, to withdraw the RFQ; to use the ideas or proposals submitted in any manner deemed to be in the best interests of the City and County of Denver, including (but not limited to) negotiating with one or more respondents or undertaking the prescribed work in a manner other than that which is set forth herein. In their sole discretion, the issuers of this RFQ reserve the right to choose to discuss various approaches with one or more potential partners (including those not responding to the RFQ).

### **Evaluation Goals/Scope of Services**

*We have four primary goals for the evaluation:*

1. Develop and implement a rigorous evaluation design involving a matched comparison group (randomized control trial or other quasi-experimental design) to measure the impact of the programmatic intervention on participant outcomes.
1. In conjunction with the initiative partners, design and conduct a robust cost-benefit analysis of the initiative including advising on measurement windows appropriate to the population and intervention as informed by the research base and best practice; determine estimated service reductions/cost savings to different public systems (including shelters, jails, courts, hospitals, etc.) associated with intervention; and determine and quantify other non-monetary costs and benefits (e.g., improved health, reduced crime, etc.) of program for different stakeholders such as participants, taxpayers, crime victims, public systems and society.
2. Assist with building a Pay For Success agreement with all parties; assist in the development and refinement of success benchmarks and key outcome metrics that will be used to determine performance-based payments; and work with relevant parties to develop data tracking/collection systems and strategies to accurately measure and validate outcomes.
3. Conduct a process/implementation study; collect information on program implementation to help 1) interpret findings from the impact evaluation, 2) understand key differences between this services provided through the SIB initiative, usual care and other alternative interventions, 3) highlight implementation challenges, 4) determine service gaps and strategies to improve program efficiency and 5) determine whether/how efforts are driving improvements in public system performance, cross-system collaboration and delivery of care for target population

Tasks for this work may include, but are not limited to:

#### *Design Stage*

- Review results and processes used in the current pilot program serving a similar population of chronically homeless persons in Denver that might be helpful in designing the full evaluation.
- Work with initiative partners to prepare a comprehensive evaluation plan, including evaluation design, a detailed work plan and timeline, and securing IRB approval.
- Prior to implementation, interview initiative partners, providers and other key stakeholders to assess needs, goals and potential risks/challenges of the evaluation related to design, data collection, measurement, etc. Propose mitigation strategies.

#### *Structuring Stage*

- Work with local public agencies – including State health agencies, hospitals, behavioral health entities, jails, shelters and courts - to obtain access to administrative data on

service use and costs, develop and execute data sharing agreements, and ensure secure transfer and use of confidential data.

- Work with housing and service providers to assess, develop, and create standard processes to collect individual-level data on client engagement, service participation, housing, and other relevant outcomes.
- Work with initiative partners and providers to implement the evaluation in a coordinated manner.
- Develop training materials and deliver trainings for providers and other key staff on evaluation methodology, data collection, survey administration, etc.

#### *Operating Stage*

- Work collaboratively with initiative partners to implement the evaluation and participate in regular (monthly) calls to discuss progress and challenges
- Aggregate, clean and analyze data from all sources.
- Prepare regular progress reports, interim reports and a final report documenting findings from the evaluation based on an agreed upon timeline.
- Work collaboratively with initiative partners to present key findings of evaluation to local and national stakeholders.

#### **RFQ Submission Guidelines**

**All proposal items must be submitted ELECTRONICALLY by 5 pm EST on November 17, 2014** to: [socialimpactbonds@denvergov.org](mailto:socialimpactbonds@denvergov.org). Note: hard copies of proposal or application materials will not be accepted.

Proposal narrative must be submitted in Microsoft Word or PDF format and should not exceed twenty (20) single-spaced pages using Times New Roman 12 point font and one-inch margins.

Respondents should address the following:

1. A cover letter, which provides the name, mailing address, telephone number, email address, and fax number of the individual to whom we may communicate regarding the proposal. The cover letter should clearly state that the proposal is in response to the Request for Qualifications.
2. Organization/Evaluator background
  - Provide 1-2 paragraphs describing organization's history, mission, core values, and areas of expertise.
3. Describe your team/organization's experience designing, developing and implementing rigorous impact evaluations and cost benefit analyses of programs targeting homeless, mentally ill or other highly vulnerable populations; include knowledge of or experience with multiple assessment methods and using experimental and/or quasi-experimental designs.



4. Describe your experience working on large scale evaluations in a collaborative environment across government and nongovernmental entities.
5. Proposed Evaluation Activities:
  - Describe the evaluation methodology or methodologies you believe are best suited for this initiative, balancing both feasibility and the desire for the most rigorous evaluation
  - What measures are most important for the desired outcomes?
  - Based upon similar work or knowledge of Denver, what are the best data sources and collection strategies for the initiative?
6. Identify any anticipated challenges to the implementation of the evaluation; and discuss strategies to mitigate those challenges, particularly issues related to creating comparable comparison group(s), accessing administrative data for both intervention and comparison groups and obtaining consent from study participants if necessary
7. Briefly describe the anticipated roles and relevant background of key staff that will work directly on this project. Describe their experience and qualifications as they relate to the program as described in this RFQ. Describe plan for evaluation staffing and oversight;
  - a. Include resumes of key staff as an appendix; include a description of prior experience that is comparable in content, scope and design
8. Provide a rough budget for proposed evaluation activities. Please be sure to note costs by phase: design, structuring and operating phases. The budget should include a rationale for all proposed fees and costs.
9. Provide at least three names and contact information of individuals who can describe the capacity and experience of the applicant/organization related to evaluation projects of similar scope.

### **Selection Criteria/Process**

All proposals will be reviewed and evaluated by a selection committee consisting of key staff from partnering agencies.

Submissions will be evaluated based on the following criteria and qualifications:

- Demonstrated experience and knowledge of multiple assessment methods; experience designing and implementing rigorous impact evaluations of complex social programs using experimental and/or quasi-experimental methods
- Demonstrated knowledge of the target population (frequent users of criminal justice and crisis service systems who are homeless with chronic health/mental health conditions) and the systems/providers that serve this population
- Soundness of approach and degree to which proposed evaluation design and activities meets stated goals
- Demonstrated experience conducting comprehensive cost-benefit analyses of social programs targeting homeless, formerly incarcerated or other high-risk populations;

- Established track record of successful collaborations with high-profile public-private partnerships
- Experience reporting the results of program evaluation activities in a thorough, accessible and usable format to various stakeholders
- No conflict of interest with initiative partners
- Management plan, staff availability, and readiness to proceed
- Budget feasibility
- Quality of references

#### Conditions of Proposal Submission:

- Only one proposal will be accepted from any one organization. Organizations may respond individually or as part of a team. Multiple organizations may form a team for this application, but should clearly identify the lead organization and the anticipated role(s) for each partner organization.
- All costs incurred in the preparation and presentation of the submitted proposal, in any way whatsoever, shall be wholly absorbed by the prospective contractor. Any material submitted by the prospective contractor that is to be considered confidential must be clearly marked as such.
- Evaluation entities must be independent from any of the provider and partner organizations listed above as partners.

#### Questions

The contact person for all questions is:

Janette Kawachi

Email: [Janette.kawachi@csh.org](mailto:Janette.kawachi@csh.org)

Phone: 203-606-2529

#### Timeline:

The overall project timeline is still under consideration and contingent on a number of factors but our goal is to have all project components in place to begin implementation (i.e. housing and serving clients) by July 2015. Given this timeline, evaluation activities would likely begin in January 2015 and proceed in the following manner:

- Evaluation Design Phase: January to March 2015
- Structuring Phase: April – June 2015 (some components will be ongoing)
- Operating Phase: July 2015 and onward

The goal is to house and serve approximately 300 homeless frequent users in supportive housing over a five to six year period. Placements will occur gradually during this period with

approximately 100-150 persons being housed each year until we reach our overall goal of 300 individuals. Ideally, the timeframe for the evaluation would align with the duration of the SIB initiative, capturing outcomes for at least two or more years post-housing for all enrolled participants. The exact timeframe will be determined by our evaluation budget and ongoing funding for the initiative.

This RFQ is being issued on October 20, 2014; and responses to it are due no later than **5pm Eastern Standard Time on Monday, November 17, 2014.**

CSH, Enterprise, SIS and the City will host an online information session and Q&A webinar on November 4, 2014 from 12pm – 130pm Eastern Standard Time to answer any questions prospective applicants may have about the RFQ or the SIB initiative. **To RSVP for this information session, please email [socialimpactbonds@denvergov.org](mailto:socialimpactbonds@denvergov.org) with subject line “RSVP for Denver SIB RFQ Info Session”.**

A Letter of Intent to Apply is due November 5th, 2014 by 5pm Eastern Standard Time to [socialimpactbonds@denvergov.org](mailto:socialimpactbonds@denvergov.org). The Letter of Intent to apply need only state organization name and contact information (name, email, phone).

Initiative partners will also hold phone interviews with leading respondents during the week of December 1<sup>st</sup>, 2014. Respondents will be contacted by November 24<sup>th</sup> for interview times.

All applicants can expect to receive a response by November 24, 2014.

RFQ issued	October 20, 2014
RFQ Information and Q&A Webinar	November 4, 2014
Letter of Intent to Apply due	November 7, 2014
Applications Due	November, 17, 2014
Notification to top candidates and interviews scheduled	November 24, 2014
Phone Interviews conducted with top candidates	December 1 – December 5, 2014
Selection of Evaluator completed	December 10, 2014