REQUEST FOR PROPOSAL:
MAKING THE “BUSINESS CASE” FOR COMMUNITY DEVELOPMENT

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July 19, 2017
1. Zoom Meeting Logistics
2. The Build Healthy Places Network
3. Overview of RFP
4. Q&A
MISSION:
To catalyze and support collaboration across the health and community development sectors, together working to improve low-income communities and the lives of people living in them.
## RFP: MAKING THE “BUSINESS CASE” FOR COMMUNITY DEVELOPMENT & HEALTH

| Grant Award Duration | $20,000 - 30,000  
| 4 months |
|-----------------------|------------------|
| Deadline              | August 4, 2017, noon PDT |
| Grantee Notifications | August 18, 2017 |
| Preferred Start Date  | September 1, 2017 |

PRIMARY AUDIENCE: COMMUNITY DEVELOPMENT SECTOR

COMMUNITY DEVELOPMENT CORPORATIONS (CDCs)
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFIs)

DEVELOPMENT
FINANCING

AFFORDABLE HOUSING DEVELOPERS
COMMUNITY BUILDING PROGRAMS

AFFORDABLE HOUSING
BUSINESSES

- FOUNDATIONS
- PRIVATE BANKS
- IMPACT INVESTORS

JOBS TRAINING
COMMUNITY CENTERS

HEALTH CLINICS
CHARTER SCHOOLS
COMMUNITY DEVELOPMENT: 
AN ACTION ARM FOR HEALTH EQUITY

See The Network’s Jargon Buster and blog posts on the community development sector and its connections to health.
RESEARCH GAP
Lacking evidence on community development’s impacts

FIELD NEED
Measurable impacts → More investment

PROPOSED PROJECT
A model that estimates the social, financial, and health returns on investment of community development projects using existing research
RESEARCH OBJECTIVES

1. Identify types of returns
2. Determine who benefits
3. Model ROI
WHERE THIS PROJECT FITS IN

STATUS QUO  IN PROGRESS  CURRENTLY  PROPOSED PROJECT  FUTURE WORK

LIIF Social Impact Calculator  Review of existing literature  Model that estimates returns  Case-based application of model  “SDOH Impact” Calculator
**KEY PRECEDENT: LIIF SOCIAL IMPACT CALCULATOR**

**Project 1**

Do you want to calculate the internal rate of social return (IRR) for this project? 
- Yes 
- No

Choose your social discount rate: 
- 0% 
- 3% 
- 5% 
- 7%

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**Affordable Housing**

**Medical Cost Savings from Permanent Supportive Housing for the Homeless**

<table>
<thead>
<tr>
<th>Affordability Term (years)</th>
<th>Units</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>50</td>
<td>$12,331,283</td>
</tr>
</tbody>
</table>

**Methodology: Medical Cost Savings from Permanent Supportive Housing for the Homeless**

Permanent supportive housing is well known as an effective strategy for improving life outcomes for the chronically homeless—particularly those with chronic and complex illnesses. This intervention also generates significant public cost savings, primarily from reduced health services. We draw from a 2009 study by the Economic Roundtable to estimate medical cost savings. The study specifically found that incremental monthly cost savings to public agencies (e.g., County health services outpatient clinics) and agency sub-departments (e.g., corrections medical services) providing physical and mental health services were $1,853 per month, or $22,242 per year, for the chronically homeless living in permanently supportive housing. We use this figure to estimate medical cost savings over the course of a project’s affordability restriction term, assuming a 6 percent annual nominal growth rate in savings due to rising medical costs (the same rate of increase that the Centers for Medicare & Medicaid Services projects for the next 10 years).

For more detail on the literature and assumptions for this calculation, download the full methodology documentation.
## BACKGROUND RESEARCH: SOCIAL RETURNS OF EDUCATION

<table>
<thead>
<tr>
<th>Sector</th>
<th>Study type</th>
<th>Study</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early education</td>
<td>Cost benefit analysis</td>
<td>“The High/Scope Perry Preschool Program cost–benefit analysis using data from the age-40 follow-up” (Belfield, et al. 2006)</td>
<td>$12.90 gains for every $1 invested in early education</td>
</tr>
<tr>
<td>Education</td>
<td>Cost benefit analysis</td>
<td>“The economic value of improving the health of disadvantaged Americans” (Schoeni, et al. 2011)</td>
<td>$1.02T accrued to less-educated Americans if their health and longevity improved to that of college-educated Americans</td>
</tr>
</tbody>
</table>
## BACKGROUND RESEARCH:
**SOCIAL RETURNS OF HOUSING**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Study type</th>
<th>Study</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>Cost savings</td>
<td>Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons with Severe Alcohol Problems (Larimer, et al. 2009)</td>
<td>$3569 per month reduction in total costs per individual housed¹</td>
</tr>
<tr>
<td>Housing</td>
<td>Cost effectiveness</td>
<td>The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment (Chetty, et al. 2016)</td>
<td>$3500 (31%) increased future annual income; 2.5% increased college attendance</td>
</tr>
</tbody>
</table>

¹Also analyzed reduction in shelter days, jail days, etc. which could be further costed
SCOPE OF WORK

ADDITIONAL CLARIFICATIONS

THIS PROJECT WILL:

• Draw upon the methodology of tools like the LIIF Social Impact Calculator
• Apply an economic approach to a public health question
• Generate a generalizable model used by a wide range of community development practitioners
SCOPE OF WORK
ADDITIONAL CLARIFICATIONS

THIS PROJECT WILL NOT:

• Require primary data collection (quantitative or qualitative)
• Estimate returns for a particular site/set of sites
• Serve the evaluation purposes of a single organization
EXPECTED DELIVERABLES / OUTPUTS

• Comprehensive white paper (e.g., Community Development Investment Review)

• Two-page Executive Summary

• Slide deck

• Framework for an interactive tool*

• Participation in at least one conference*

* May take place following the grant period
QUESTIONS & COMMENTS?
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