



Build Healthy  
Places Network

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

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# PRESENTATION OUTLINE

1. Zoom Meeting Logistics
2. The Build Healthy Places Network
3. Overview of RFP
4. Q&A







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## 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**

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

The full RFP may be accessed online at: <http://www.buildhealthyplaces.org/whats-new/request-proposal-making-business-case-community-development/>



# PRIMARY AUDIENCE: COMMUNITY DEVELOPMENT SECTOR

- AFFORDABLE HOUSING DEVELOPERS
- NEIGHBORHOOD PLANNERS

COMMUNITY  
DEVELOPMENT  
CORPORATIONS  
(CDCs)



DEVELOPMENT

COMMUNITY  
DEVELOPMENT  
FINANCIAL  
INSTITUTIONS (CDFIs)



FINANCING

- FOUNDATIONS
- PRIVATE BANKS
- IMPACT INVESTORS



AFFORDABLE  
HOUSING

BUSINESSES

JOB TRAINING

HEALTH  
CLINICS

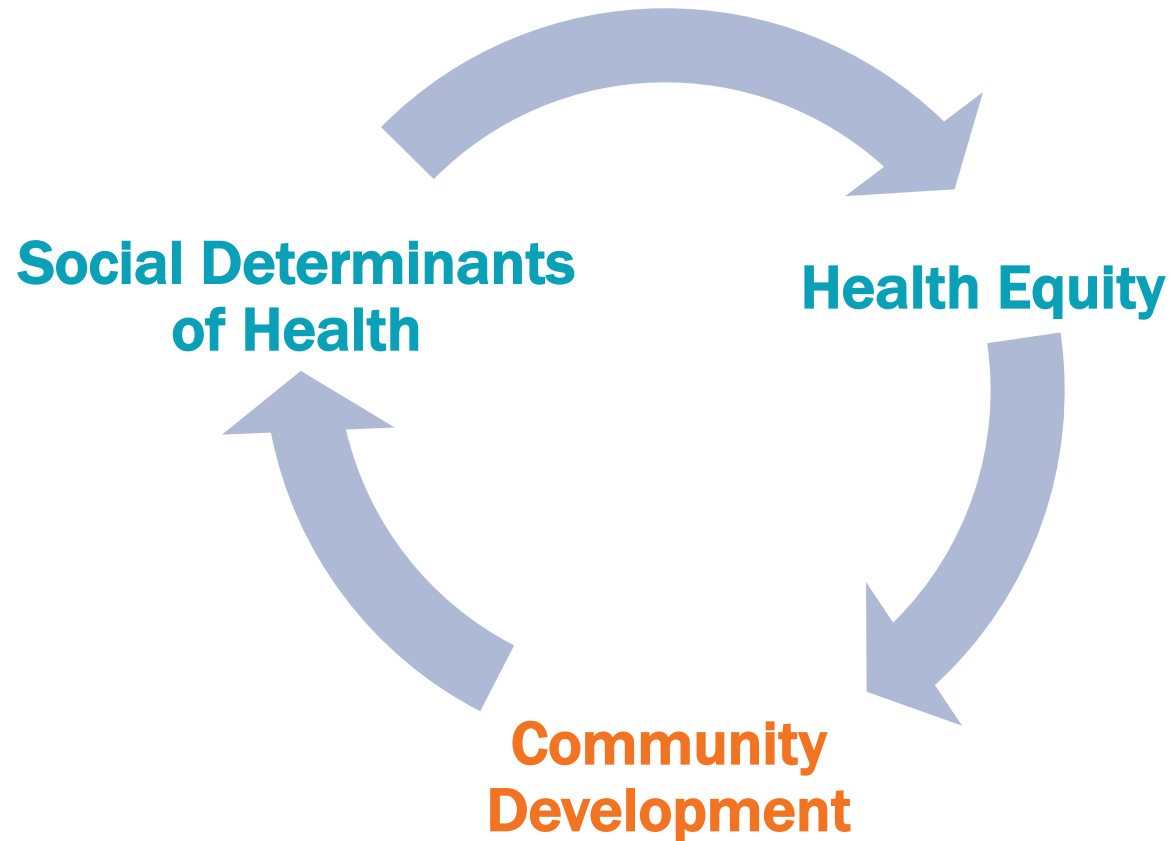
COMMUNITY  
BUILDING  
PROGRAMS

SOCIAL  
SERVICES

COMMUNITY  
CENTERS

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](#).



# PROJECT OVERVIEW

## 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



**IDENTIFY  
TYPES OF  
RETURNS**



**DETERMINE  
WHO  
BENEFITS**

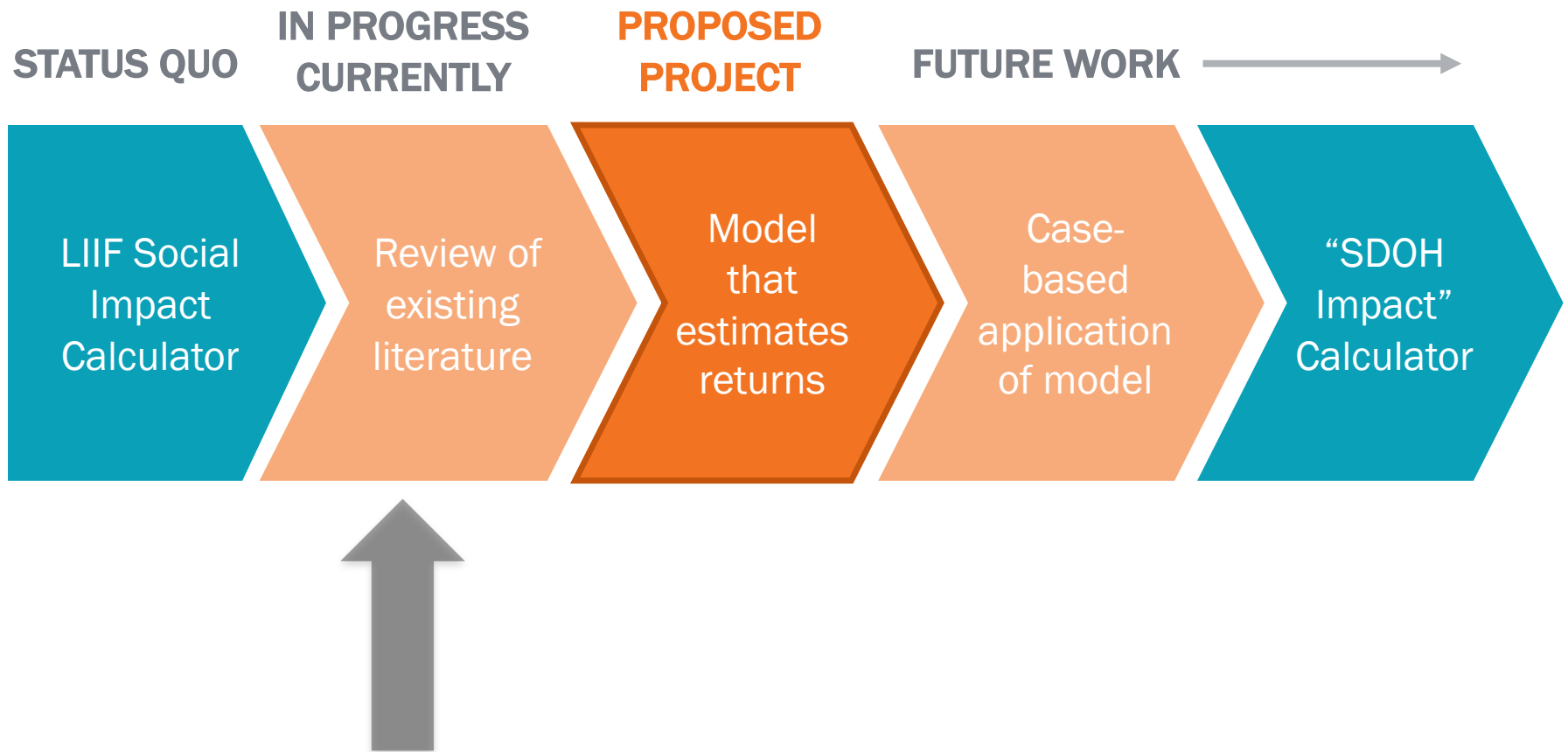


**MODEL ROI**





# WHERE THIS PROJECT FITS IN



# KEY PRECEDENT: LIIF SOCIAL IMPACT CALCULATOR

## Project1

Do you want to calculate the internal rate of social return (IRR)<sup>(?)</sup> for this project? ☐ YES ☒ NO

Choose your social discount rate<sup>(?)</sup> ☐ 0% ☒ 3% ☐ 5% ☐ 7%

🏠 Affordable Housing

👶 Early Childhood

🎓 Education

🏥 Health Centers

### Increased Food Expenditures from Affordable Housing

Family Units<sup>(?)</sup> .....

Non-Family Units<sup>(?)</sup> .....

Affordability Term (years)<sup>(?)</sup> .....

Subtotal<sup>(?)</sup> **\$0**

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

Affordability Term (years)<sup>(?)</sup> .....

Units<sup>(?)</sup> .....

Subtotal<sup>(?)</sup> **\$12,331,283**

#### 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<sup>1</sup> by the Economic Roundtable to estimate medical cost savings<sup>2</sup>. 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)<sup>3</sup> 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

Sector	Study type	Study	Return
Early education	Cost benefit analysis	“The High/Scope Perry Preschool Program cost–benefit analysis using data from the age-40 follow-up” (Belfield, et al. 2006)	\$12.90 gains for every \$1 invested in early education
Education	Cost benefit analysis	“The economic value of improving the health of disadvantaged Americans” (Schoeni, et al. 2011)	\$1.02T accrued to less-educated Americans if their health and longevity improved to that of college-educated Americans

# BACKGROUND RESEARCH: SOCIAL RETURNS OF HOUSING

Sector	Study type	Study	Return
Housing	Cost savings	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)	\$3569 per month reduction in total costs per individual housed <sup>1</sup>
Housing	Cost effectiveness	The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment (Chetty, et al. 2016)	\$3500 (31%) increased future annual income; 2.5% increased college attendance

<sup>1</sup>Also 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





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**QUESTIONS &  
COMMENTS?**



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# Build Healthy Places Network

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