
Request for Proposals: Sustainable Financing for Healthy Housing (SF4HH)

New from the Quicken Loans Community Fund, the City of Detroit Housing and Revitalization Department, and Quantified Ventures: A call for housing-focused interventions seeking sustainable financing to strengthen the Detroit community

RFP Purpose

This Request for Proposals (RFP) is designed to help Quantified Ventures, the Quicken Loans Community Fund, and the City of Detroit Housing and Revitalization Department select at least one awardee to take advantage of support to link promising housing interventions to sustainable financing. We seek applications from local organizations (alone or in partnership) that holistically tackle housing challenges affecting the health and well-being of the Detroit community - either by eliminating systemic barriers to housing, or by securing safe, quality housing for low income and typically underserved residents.

This RFP will support the development of at least one outcomes-based financing transaction - bringing new capital to scale a promising housing intervention that will strengthen the Detroit community. Through this open competition, we will identify and select a proposal that a) meets the eligibility criteria, and b) brings forward the most compelling programs and partnerships. Quantified Ventures will then work with the awardee(s) to structure a transaction and attract impact capital. The winning team(s) will receive Quantified Ventures' services at no cost.

Submissions should generally align with partner goals, but can address a diverse range of issues, including homelessness or housing insecurity, health risks related to poor housing quality, blight reduction, and others.

Opportunity at a Glance

What: Competitive opportunity to take advantage of pro-bono consulting support that could bring new capital to housing-focused programs serving Detroit.

- At least one award to a single Service Provider organization (or team of Service Provider organizations)
- Awarded team(s) will put forward high-impact initiatives that are tackling holistic housing issues in Detroit
- Awarded team(s) will have an opportunity to work with Quantified Ventures, an outcomes-based capital firm, and to engage one or more Payors (e.g., health systems).

When: This award opportunity will be open for 3 months. Once awarded, team(s) will work collaboratively with Quantified Ventures to engage one or more Payors and to build the outcomes-based financial transaction.

- RFP responses are **DUE ON DECEMBER 16, 2019**
- Applicants will be notified by or before mid March 2020
- The anticipated term of engagement from award to deal closing is 12 months

Who: Awarded Service Provider applicant(s)

- Eligible applicants include non-profit organizations serving Detroit through housing-focused programs
- For-profit enterprises are welcome to partner with a submitting team, but cannot serve as the primary recipient
- National organizations are encouraged to participate, as we are interested in bringing new ideas and innovative approaches to Detroit
 - Note that national applicants must have a local, Detroit partner to be eligible

Where: This opportunity is intended to build capacity within, and to better serve Detroit.

Why: Flexible capital is needed to stimulate innovation and support the scale of promising housing initiatives in Detroit. This award is intended to drive new capital to organizations serving Detroit that improve community health through housing.

- While there are promising signs of the city’s growth, there are still significant housing-related challenges
- We want to stimulate new ideas, programs, collaborations and investment in Detroit

Executive Summary

Quantified Ventures, the Quicken Loans Community Fund, and the City of Detroit Housing and Revitalization Department are proud to collaborate as partners in driving new investment to improve housing for the Detroit community. We are currently soliciting proposals from local organizations with innovative housing programs that, with access to impact capital, could be implemented or expanded to improve community or health outcomes and deliver greater value to more Detroit residents. As spending on social programs decreases and demand for services increases, outcomes-based financing offers service providers the opportunity to demonstrate their full value – backed by rigorous, independent evaluation - to organizations that benefit financially and otherwise from their programs (i.e. payors). Following the conclusion of a successful transaction, in which the predicted outcomes are achieved, a more direct contractual relationship with the service provider can be established - providing a path to program sustainability.

Application Checklist	Yes / No
Meets application eligibility rules (see page 15)	
Meets application format rules (see page 20)	
Answers required questions 1-8 (see pages 16-18)	
Provides signed letters of commitment or letters of support (optional)	
Provides other background materials (optional)	

Definition of Key Terms Associated with the Outcomes-Based Financing

Outcomes-based financing is an innovative tool that ties repayment of capital for the provision of services to the achievement of outcomes. This multi-stakeholder partnership is structured so that an Investor provides the upfront capital to scale a promising intervention, a service provider uses the funds to increase capacity and enact the intervention, and a designated Payor repays the upfront capital (plus a return) only if the intervention produces the desired and predetermined impact. As opposed to a traditional loan or grant, this approach shifts the financial risk of scaling interventions to impact investors, supports experimentation and new partnership models, and provides a mechanism for repayment to be contingent on outcomes achievement – as assessed by an independent evaluator.

This model typically requires an Intermediary, and one or more of the following parties:

- **Investor(s)** provides principal up-front funding for the program’s activities. Investors receive a return on their principal investment if and only if the established outcomes are achieved. Impact investors have the ability to invest in projects that meet their social impact objectives and track outcomes directly related to their investment.
- **Service Provider(s)** delivers program to a target population using funding from Investors. Service Provider(s) can scale their promising interventions more effectively and efficiently with upfront capital from impact investors. The services provided can deliver numerous benefits, and typically (but not necessarily) deliver some cost savings or revenue for the Payor in the long term.
- **Evaluator** measures and monitors specified outcomes and reports on impact to the Payor and other parties. Through measuring and tracking these predetermined outcomes, Evaluators increase data transparency.
- **Payor(s)** provides a mechanism for repayment through “success payments” if and only if outcomes are achieved as determined by the Evaluator, therefore shifting the financial risk of repayment.
- **Intermediary** aligns all stakeholders around key outcomes, conducts return on investment analysis, determines performance payments, and performs all other functions necessary to structure the transaction and close the deal.
- **Example:** Please see an example of a closed transaction [here](#).

Housing as a Social Determinant of Health

According to the Centers for Disease Control and Prevention (CDC) Healthy People 2020 Plan: “Health starts in our homes, schools, workplaces, neighborhoods, and communities ...the conditions in which we live explain in part why some Americans are healthier than others and why Americans more generally are not as healthy as they could be.” The CDC, the Department of Housing & Urban Development, the Department of Health & Human Services, and many others increasingly acknowledge this direct link between housing and health (CDC, 2015). These organizations have called for more housing interventions that focus on the health benefits provided by stable, safe, and affordable homes.

The “Healthy Housing” model, according to The Kresge Foundation, is defined as homes “where the physical, mental, and socioeconomic environment supports household members in making healthy choices, achieving educational and economic success, and engaging in robust social and cultural networks” (Kresge, 2012). A “Healthy House” is not only a place for someone to come home to each night, but also a key social determinant of health that affects long term functioning, quality-of-life outcomes, and risk. As part of this health in housing initiative, the Quicken Loans Community Fund and the City of Detroit are collaborating to stimulate market-based financing approaches that can help improve health within the framework of housing.

Why Detroit

Over the course of several decades, Detroit has faced well-documented financial decline and disinvestment with significant population loss and adversity. While there are promising signs of the City’s growth and development, there are still significant challenges to navigate. According to the 2017 Census, 37.9% of Detroiters are living in poverty, the highest rate of the 20 largest cities in the country.

Housing affordability, repair needs and rent burden continue to be serious issues facing Detroit residents. In 2017, roughly 50% of Detroit residents were rent burdened (i.e., paying rents above 30% of their income), and among renters, the median housing costs amounted to 48% of median income. (Michigan League for Public Policy, 2019)

Detroit also struggles with other social determinants of health. In 2016, The Center for Disease Control published a two-year, comprehensive study looking at thirty one different health indicators, and Detroit often had the worst health outcomes in the region. It placed in the 90th percentile for many indicators, registering poor general health (27.5%), poor mental health (19%), high rates of disability (13%), and high rates of obesity (37%) (Bauermeister et al, 2016).

The critical importance of housing to health is now well documented and understood, and homelessness is a persistent challenge in Detroit. In January 2018, there were over 1,700 people sleeping in shelters, on streets, or other places unfit for human habitation. Of that population, 222 were chronically homeless individuals. All individuals experiencing chronic or long-term homelessness have a disabling condition such as severe and persistent mental illness, substance use, or a physical disability which makes it difficult for them to obtain and maintain housing. For those experiencing homelessness in Detroit who do obtain housing, retention of that housing remains a challenge. In 2017, Detroit's community-wide returns to homeless were almost twice the national average according to our local Homeless Management Information System (HMIS).

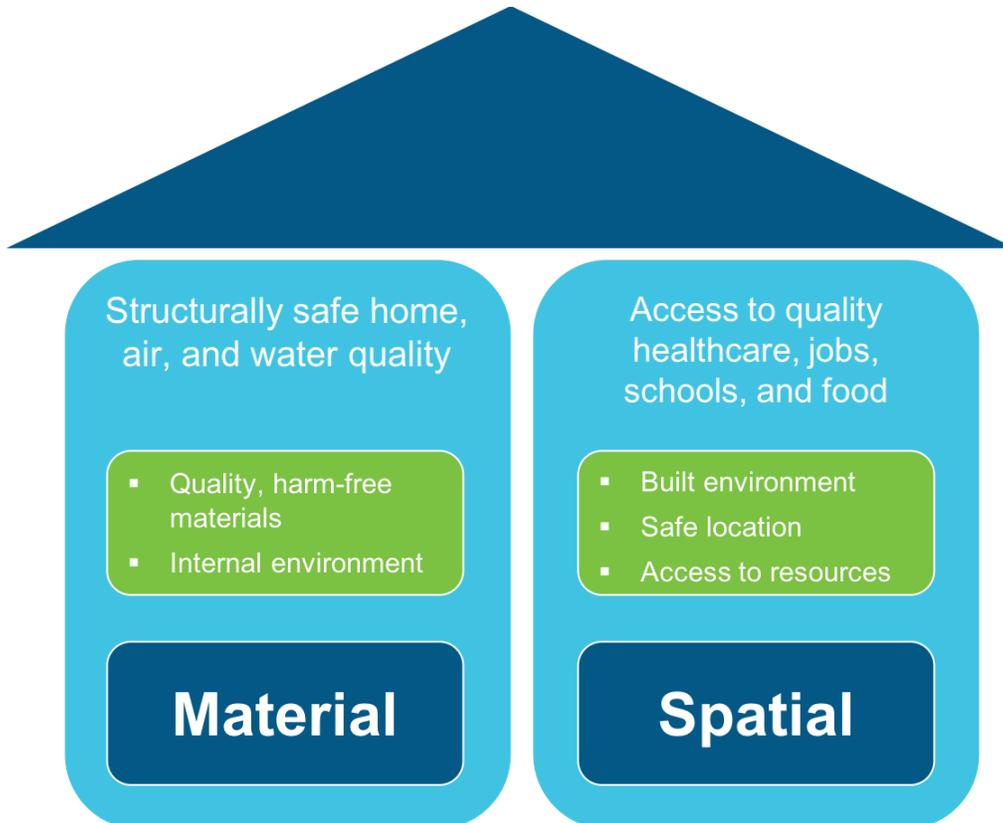
Even among housed residents, the need for home repairs, the existence of harmful substances (e.g., lead), and the persistence of blight continue to compromise community health and wellbeing. While Detroit is beginning to rebound, that redevelopment can only be successful if it is felt by all Detroiters. Now is the time to ensure our infrastructure is set up to support everyone at all income levels. Far too many residents still live in unsafe or unstable housing, which has a dramatic impact on their long-term health outcomes. Detroit understands this problem and city officials, in collaboration with local nonprofit and business leaders, are looking at innovative approaches to combat some of the most challenging housing and health issues.

Application Framework

This competition is soliciting proposals from service providers that are addressing critical issues at the intersection of health and housing in Detroit. The proposed intervention may have been tested (i.e., there is some evidence-based), but not yet scaled, OR it can represent a novel or innovative approach that needs further proof of concept prior to scale. Regardless, applicants should – once awarded - be prepared to undertake a scope of work with Quantified Ventures that demonstrates program value through data-driven analysis.

Recognizing that there are many ways to address complex housing and health issues, we offer the following framework, which is described below. We encourage applicants to think creatively about how their programs or interventions map to this framework and address key social determinants of health for the Detroit community. We also provide for reference and consideration the priorities of the Quicken Loans Community Fund and the City of Detroit Housing and Revitalization Department:

Quicken Loans Community Fund	City of Detroit Housing and Revitalization Department (HRD)
The Quicken Loans Community Fund strives to increase opportunities for residents of Detroit to have safe, affordable housing and build wealth through homeownership.	The City of Detroit will sustain and grow neighborhoods that are inclusive of quality affordable housing opportunities for all. The Housing and Revitalization Department will create economic opportunity, improve access to quality housing and support economic development through the management of federal funds.
Eliminate systemic barriers to housing, paying special attention to low-income and vulnerable residents	Use data to drive funding decisions and strategically deploy resources to most effectively meet the needs of Detroit residents
Secure safe, quality housing for residents in target cities, paying special attention to low-income and vulnerable residents	Develop creative solutions that address homelessness, housing instability, or housing quality issues negatively affecting the health and well-being of Detroit residents
Increase the personal wealth of residents in target cities through rising home ownership	Provide holistic solutions to housing-based challenges through collaboration with City Departments other partners



- **Material:** The material housing focus area encompasses the negative health effects that can arise from houses that are not structurally sound or are made from harmful materials. Focusing on the physical dimensions of housing, interventions in this category range from mold removal and asthma management to waste treatment and supplying adequate heating. For example, a Detroit based service provider may enter homes to test for and remove environmental triggers like lead-based paint or mold that are the root causes of poor physical and mental health conditions. An impact investor would provide capital so that the service provider could scale their program and eliminate harmful amounts of lead and mold from more Detroit homes. An independent third party would measure intervention outcomes, such as reduced use of the emergency department, and the local health system (serving as the payor in this hypothetical example) would provide payment for outcomes achievement that can be used to repay investors.
- **Spatial:** The spatial housing focus area stresses the importance of the home's surrounding environment to provide access to the basic necessities of life, like quality

jobs, healthcare, education, and food. The spatial aspect relates to the community around the home that can produce and maintain health for the people living inside their homes. Types of spatial interventions may include blight reduction and Telehealth initiatives. For example, a Detroit based service provider may demolish vacant homes in local neighborhoods to reduce blight. The intervention could hire and train recently incarcerated or homeless individuals that are seeking work. Impact investors would invest in the service provider so that they can expand the program and hire more workers. Evaluators would measure benefits and cost savings related to increased employment, reduced recidivism, and improved neighborhood health. In this example, potential payors include, but are not limited to, the Department of Housing & Revitalization, the Buildings, Safety Engineering and Environmental Department, and local businesses.

Notably, almost all of the potential programs envisioned within this framework could require an expanded and/or differently trained workforce in order to achieve the desired impact. We encourage applicants to consider this dimension, as well as any other related needs or considerations, in their solution descriptions.

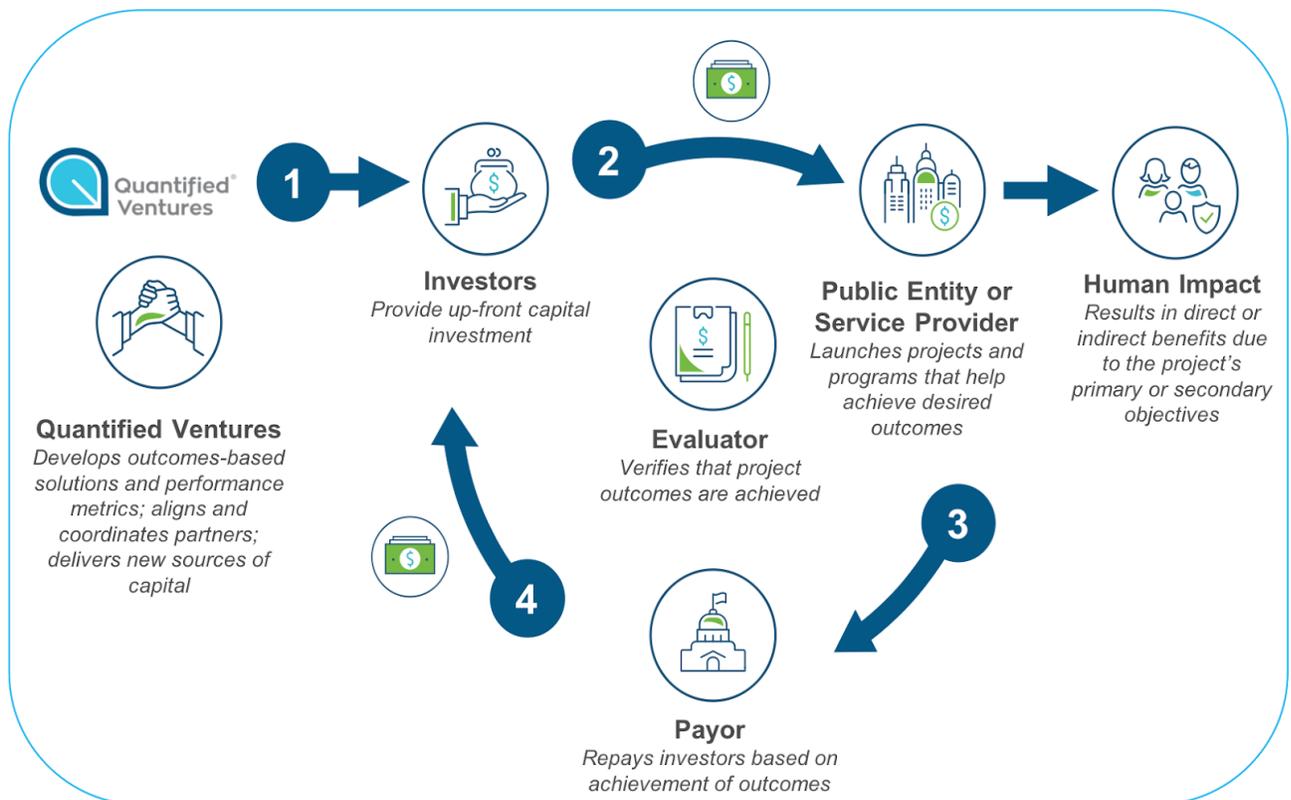
About Outcomes-Based Financing

Since 2010, over 50 transactions have been implemented across six continents, including 22 in progress or completed in the United States. These transactions primarily target issues that could benefit from preventative services and proven programs that have the ability to scale yet lack the capital to do so. Some of the common issue areas include prison recidivism, homelessness, education, workforce development, green infrastructure, and mental illness.

In that time, the field also has evolved significantly and continues to innovate on the original model. Some examples of this development are reflected in the involvement of a more diverse array of payor types (e.g., health plans, health systems), the number and nature of potential Investors and service providers involved, the approach to outcomes evaluation, and the financing structures and terms. While each transaction is different, the below image reflects the general approach.

To read more about outcomes-based financing examples, please go to the following websites:

- <http://www.quantifiedventures.com/hhs>
- <http://www.payforsuccess.org>



Key Benefits

When the values of all parties are aligned, outcomes-based financing presents a rare win-win-win for all involved. Such transactions have the potential to:

- Enhance existing and/or scale promising programs to help people in need
- Prioritize spending for social, health, and environmental services that work
- Increase funding for rigorous evaluations to grow the evidence base on what works
- Reallocate funding risk to impact investors, accelerating the transition to buying measurable outcomes instead of processes and outputs
- Deploy the fast-growing pool of impact capital into worthy programs across the country

Project Collaborators

Quantified Ventures: Quantified Ventures is an outcomes-based capital firm that drives transformative health, social, and environmental impact. We work with nonprofit organizations, entrepreneurs, health systems, healthcare providers, and governments that demonstrate capacity for transformative social good, helping them to tap into the financial resources needed to sufficiently scale operations and deliver meaningful impact. By negotiating purposeful partnerships between leaders across sectors, we can accelerate funding that will result in greater societal benefits. Our clients are empowered with the confidence to make informed, insightful business decisions - knowing exactly what investments will and will not work, and why. Quantified Ventures is currently designing, developing, and implementing a series of health and environmental projects across the country, and is starting to expand internationally.

Quicken Loans Community Fund: The Quicken Loans Community Fund is the philanthropic arm of Quicken Loans, the nation's largest mortgage lender. Its strategy aims to support thriving, resilient and inclusive communities through data-driven investments in housing, employment and public life. Through its for-more-than-profit model, the Quicken Loans Community Fund recognizes that business and community are inextricably linked, and it purposefully brings together all of the assets of Quicken Loans and the Rock Family of Companies – team member talent, technology, policy advocacy, and philanthropic resources – to invest in comprehensive community development in Detroit and across the country.

Since 2010, the Quicken Loans Community Fund has invested over \$150 million into addressing complex issues like tax foreclosure and chronic unemployment, as well as supporting the entrepreneurship ecosystem. Alongside financial investments, the Quicken Loans Community Fund has organized team members to provide more than 500,000 volunteer hours nationwide, including 350,000 in Detroit.

City of Detroit: The City of Detroit is committed to data-driven strategies to address the needs of its residents. The City recognizes the essential role of collaboration to generate innovative ideas for some of the City's toughest challenges. Encouraged by the promise of Pay for Success projects in other communities across the country, we believe this model can help provide access to greater capital resources and reframe the service conversation around outcomes and performance to provide high-quality services to residents who face housing and health challenges.

Scope of Technical Assistance Services Provided

Quantified Ventures' Role:

- Quantified Ventures will design and execute the outcomes-based transactions from start to finish
- Quantified Ventures will help the winning team(s) source impact capital through an outcomes-based financing arrangement. Quantified Ventures will operate as the intermediary in the transaction(s) and, in this role, will:
 - Confirm size, scope, and objectives of the project and the transaction
 - Develop an economic model
 - Design the transaction, including financial structure, outcome measures, and outcome payment triggers
 - Work with an independent Evaluator to design a rigorous yet streamlined approach for validating outcomes
 - Market the opportunity to potential Investors - engaging them to cultivate interest and support their due diligence process

- Facilitate contracting between the Payor, Investors, Service Provider, and Evaluator
- Work with legal counsel to draft any necessary legal documents and contracts
- Establish needed structures to support the projects once launched

Quicken Loans Community Fund's Role:

- As the nation's largest lender, Quicken Loans has a unique perspective on ways to deliver high-impact and long-term solutions to critical housing challenges.
- They bring expertise in housing markets and innovative financing that will help inform intervention selection and transaction execution
- Support the identification and selection of potential investors
- Leverage their network of partners and collaborators to help to secure a suitable Payor

City of Detroit's Role:

- Provide insight into City needs and priorities
- Help to inform intervention selection and transaction execution
- Where possible, work with awardee(s) to secure city-level data (e.g. costs on housing intervention, number of people experiencing homelessness in Detroit, cost of homelessness, and/or other relevant budgetary and administrative data)

Scope of Award

Once selected, awarded parties will work with Quantified Ventures, the Quicken Loans Community Fund, and the City of Detroit Housing and Revitalization Department to undergo a feasibility analysis and transaction structuring process, with the goal of having a closed deal in 2021.

During the feasibility analysis, Quantified Ventures will work with the awarded party(ies) to confirm the viability of scaling the evidence-based intervention by rigorously analyzing the costs and benefits of the program. Quantified Ventures will present a clear understanding of project enablers and barriers, as well as the business and social case for the intervention.

As part of the transaction structuring process, Quantified Ventures will collaboratively select project outcomes, design the project evaluation, secure any necessary regulatory approvals, build a financial model to value the outcomes, and create an operation and implementation plan. Upon engaging investors, Quantified Ventures will negotiate and draft the loan agreement and facilitate execution of contracts between all relevant parties.

Benefits to the awarded parties include:

- **Access to Impact Capital:** Private Investors provide the upfront capital to enhance and scale the intervention in year 0, enabling the awarded party(ies) to rely less on grant dollars and other traditional sources of funding
- **Improved Data Collection:** Through the evaluation process, the awarded party(ies) will gain valuable data on the cost-effectiveness and scalability of the program which can help in future planning and reporting
- **Innovation:** The awarded party(ies) can showcase themselves and their projects as innovators and leaders in the field
- **Publicity:** Awarded party(ies) will receive significant attention to demonstrate their value and attract new funding
- **Research:** The awarded parties can test and measure the intervention before paying to scale
- **Stakeholder Engagement:** Because it aligns the values of multiple parties toward shared outcomes of interest, the model promotes stakeholder engagement and presents opportunities to test new partnerships for future projects

Applicant Eligibility

We welcome applications - alone or in partnership - from Service Provider organizations serving the City of Detroit.

Application eligibility criteria includes the following stipulations:

- **Tax Status:** We seek proposals from non-profit organizations with an evidence-based intervention mapping to one or more of the housing focus areas in the above framework. For-profit organizations are welcome to apply but must do so in partnership with a non-profit organization as the “lead” applicant.
- **Teams:** If more than one organization is part of an application, the lead organization should be clearly indicated, as well as the roles and responsibilities of all proposed partners. National organizations are welcome to respond to this opportunity but must do so as a partner to a local (serving Detroit) organization.
- **Population focus:** The proposed intervention must seek to improve the housing conditions of traditionally underserved individuals, and/or those with greater unmet needs, including but not limited to: minority populations; seniors; populations with disabilities; returning citizens; those with behavioral health, mental health, and/or substance use disorders; and those experiencing housing insecurity or homelessness.
- **Geography:** The Service Provider does not need to be based in Detroit but must directly serve the Detroit community.
- **Political affiliation:** Politically-based organizations, or those with explicit political affiliations, are not eligible for this opportunity.

Application Instructions

Please submit your application via email to DetroitRFP@quantifiedventures.com. No applications will be reviewed that are submitted via any other means. See application format for further details.

Application can be no longer than 20 total pages, including appendices. Service providers are encouraged to submit one or more Letters of Support from proposed payors or other collaborators as part of an appendix, but it is not required.

Application Questions

Please respond to all seven questions listed below - using the tables below where instructed. The weighting of each question is noted in the following section.

1. Applicant background (2-page limit)

Description	Applicant Response
Name of lead organization	
Name of other organization(s) applying jointly (if applicable)	
Name of person(s) applying on behalf the organization(s)	
Location(s) of organization's headquarters (full address, if different from Detroit site below)	
Location(s) of organization's' implementation site (Detroit full address)	
Email address of applying person(s)	
Phone number of applying person(s)	

- Convey strength of the applying party/parties for this opportunity, including: history, mission/vision, organizational structure, and interest in committing the time/human resources needed to take advantage of this opportunity
- Describe the proposed intervention population it serves, how that population currently benefits, and how expansion/scale/enhancement would add value

2. Applicant's fit with the Housing Framework (2-page limit)

- Which of the two structural categories of housing issues does your intervention align with the most and why?
- How do you plan to make a longstanding impact in one or both of these structural categories in the future?

3. Organizational capacity (2-page limit)

- Discuss both your desire and ability to expand your intervention capacity as envisioned.
- What internal resources do you have that can support this expansion of services?
- What more do you think you would need?
- Would you need to engage additional partners to make it possible?

4. Evidence and impact (3-page limit)

- How do you currently evaluate the impact of this intervention?
 - What data do you collect? How? How often?
 - What outcomes, if any, do you measure?
 - For how long have you collected data on these outcomes?
- What has been your demonstration of impact thus far?
- To the best of your ability, please fill out the table below with key data inputs:

Description	Current	Anticipated given enhanced funding (demonstrating ability to expand)
Estimated overall annual intervention costs		
Number of people served per year		
Key demographics of people served		
Statistics on key outcomes achieved (e.g. success rates)		
Estimated economic value of the outcomes (if known)		
Party to whom economic values accrue (if known) (e.g. local government, hospital system, or other)		

5. Current relationship with the Detroit community (1-page limit)

Please fill out the table below with key data inputs:

Description	Applicant response
Within the Detroit community, with whom do you typically partner?	
Who do you think would be interested in serving as a Payor in this transaction (i.e., what organizations benefit, financially or otherwise, when you provide your program)?	
How do you engage with and serve the Detroit community currently?	
Have you ever partnered with the City of Detroit and/or Quicken Loans in the past?	

6. Anticipated issues and/or barriers (1-page limit)

- Describe any issues and/or barriers you see that may impede your ability to serve as a service provider in a PFS transaction.
- What proposed resolution would you suggest for these barriers?

7. Current funding approach (1-page limit)

- Describe your current funding approach for this intervention, as well as any longer-term plans.

8. Other major projects (1-page limit)

- Do you have any other major capital projects or other initiatives underway at present or in the near term? If so, please describe.

9. Appendix A (not required) (3-page limit)

- Provide signed letters of commitment or letters of support on behalf of proposed transaction Investors, Evaluators, and/or Payors.

10. Appendix B (not required) (4-page limit)

- Provide any other background materials relevant to your application.

Review Process

All complete applications will be reviewed and scored according to the weighting of criteria below and based on materials submitted on or before the application due date. Finalists may be contacted for an additional interview prior to awardee selection.

Response section	Weighting	Page Limit
Applicant background (Question 1)	20%	2
Applicant's fit with the Housing framework (Question 2)	20%	2
Organizational capacity (Question 3)	15%	2
Evidence and impact (Question 4)	20%	3
Current relationship with the Detroit community (Question 5)	5%	1
Anticipated issues and/or barriers, and proposed approach to resolution (Question 6)	10%	1
Current funding approach (Question 7)	5%	1
Other major projects (Question 8)	5%	1
Appendix (Question 9 and 10)	<i>Not required</i>	7
Sum	100%	20

Application Format

The entire application must be double spaced, printable on 8.5" X 11" plain white paper with 1" margins on all sides and use either Calibri or Times New Roman font in size 12. The application must be submitted as a PDF and emailed to **DetroitRFP@quantifiedventures.com**. The total application, including appendices, cannot exceed 20 total pages.

All appendices should follow the aforementioned formatting rules and should be submitted along with the full application in PDF form.

Application Timeframe

The RFP application period will open **September 24, 2019**, and close on **December 16, 2019**.

Once selected, awarded party(ies) will work with Quantified Ventures, Quicken Loans Community Fund, and the City of Detroit Housing and Revitalization Department until transaction close (estimated Q2 2021).

Communications

The review committee will host an informational webinar on **October 16, 2019, at 10:30 am ET** to provide an overview of the opportunity and answer questions. [Register here](#) to join the webinar.

Terms and conditions

The selected service provider(s) will be asked to sign a Memorandum of Understanding (MOU) prior to commencement of the project. The MOU will summarize the work plan and specify the team's role in managing the project and providing expertise and assistance in structuring and issuing the transaction. The MOU also will commit the Service Provider(s) to naming a project

leader, with assistance from other staff, to support decision making and necessary information sharing.

Selection as the awarded service provider does not guarantee a closed outcomes-based financial transaction. The awarded team will receive transaction structuring at no cost, with the goal of engaging new capital within 12 months.

This material is provided solely as a matter of possible interest. This RFP does not represent any legal or otherwise commitment or relationship between any issuer of municipal securities and Quantified Ventures, Quicken Loans Community Fund, and The City of Detroit Housing and Revitalization Department. The reviewing teams reserve the right to reject any proposal received for any reason and are under no obligation to perform service thereunder. The information provided is not intended to be and should not be construed as “advice” under Section 15B of the Securities Exchange Act of 1934 or the municipal advisory rules of the SEC and MSRB. Quantified Ventures is not municipal advisor, financial advisor or agents and have no advisory, agency or fiduciary duty to any person pursuant to Section 15B of the Securities Exchange Act of 1934 or Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In accepting the award, the recipient assumes legal, administrative, and programmatic responsibility for administering the award in accordance with the terms and conditions of the award, as well as applicable laws, rules, and regulations. Failing to comply with these requirements may result in suspension or termination of the award and all technical assistance.

Non-Disclosure Requirements

Because this agreement may require the award winner to have access to information that may be of a technical, legal, sensitive and/or confidential nature and which may be the sole property of the City of Detroit, the award winner must ensure that all of its personnel who will be personally and substantially involved in the performance of this agreement:

- Execute and submit Non-Disclosure Agreements prior to the commencement of any work on the agreement; and
- The award winner must put in place appropriate procedures for the protection of such information and must be liable to the Government for any misuse or unauthorized disclosure of such information by its personnel

Application Appendix: FAQs

1. Can a service provider submit more than one application?

No.

2. How will the applications be used?

Applications will be evaluated by the Selection Review Committee based on the criteria detailed earlier in the RFP.

3. How will the proposal teams be notified?

All teams will be notified via email. The finalists may be invited to participate in a review call prior to ultimate award selection.

4. How long does a typical project run?

Once the financing is closed, a typical project runs for anywhere from 3 to 6 years. This allows the program to reach suitable scale, generate sufficient data for evaluation, and drive greater values (likely including cost avoidance) for the payor.

5. What level of capacity should be expected of the winning team?

The selected service provider team(s) should demonstrate an active interest in expanding capacity to deliver programs that advance their mission. For some, this may mean augmentation

or deepening of services, whereas for others it may involve scale to a broader population. Regardless, we know that current capacity likely does not support such growth, so we are primarily interested in better understanding applicant interest in and visions for growth.

6. What are the benefits of an outcomes-based financing project?

Benefits can vary by partner, but some key advantages include:

- **Ability to Scale:** Service provider(s) receives a capital infusion to grow its program - no longer relying solely on traditional funding sources (e.g., grant funding)
- **Access to Impact Capital:** Private Investors provide the upfront and flexible capital needed to build organizational capacity to achieve anticipated outcomes
- **Improved Data Collection:** To ensure accountability and assess outcomes achievement, participants gain valuable data on the benefits (including financial return on investment) of the program which can support future planning and reporting
- **Innovation:** All parties can showcase themselves and their projects as innovators in the field and at attracting external support
- **Link to Outcomes:** The approach links payments to outcomes so that payors deploy limited resources on programs that are proven to work
- **Social Impact:** More money for larger programs means that a greater number of people benefit from a proven intervention
- **Stakeholder Engagement Support:** This model promotes stakeholder engagement across multiple entities and presents opportunities to engage new partners
- **Transferred Risk:** Private Investors take on the downside risk of the effectiveness of the intervention, mitigating financial risks to other parties
- **External Accountability:** This model can be particularly useful for ensuring the persistence and accountability of all parties involved in systems transformation. The involvement of external evaluators and investors helps reduce the risk of premature project termination due to shifts in priority, leadership changes, etc...

7. What is the role of the service provider in this type of project?

The role of the service provider is to administer a promising program that improves the social outcomes for intended populations. The service provider is expected to (with support) generate program data that will be used by an independent third-party evaluator. The service provider will remain in contact with the City of Detroit Housing and Revitalization Department and Quicken Loans Community Fund throughout the term of the project.

8. Where can I learn more about outcomes-based financing?

There are a number of websites and articles, including:

- <http://www.quantifiedventures.com/in-the-news>
- <https://nff.org/learn/pay-for-success>
- <https://pfs.urban.org/>
- <http://www.americaforward.org/policy-solutions/pay-for-success/>
- <https://www.brookings.edu/series/impact-bonds/>