

SOCIAL IMPACT BOND CONTRACT
BY AND BETWEEN
THE CITY AND COUNTY OF DENVER, COLORADO
AND
DENVER PFS, LLC

Dated as of February __, 2016

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SOCIAL IMPACT BOND CONTRACT

THIS **SOCIAL IMPACT BOND CONTRACT** (this “**Contract**”) is made and entered into as of the _____ day of February, 2016 (the “**Execution Date**”) by and between the **CITY AND COUNTY OF DENVER, COLORADO** (the “**City**”) and DENVER PFS, LLC (the “**SPV**”), a Delaware limited liability company. The City and the SPV are referred to collectively herein as the “**Parties**.” Capitalized terms used herein and not otherwise defined shall have the meaning set forth in Exhibit A.

RECITALS

WHEREAS, on December 22, 2014, the Council of the City and County of Denver (“**Council**”) passed Ordinance Number 0779, which established in the General Government Special Revenue Fund, Accounting No. 11000, a “Social Impact Bond” fund program, Accounting No. 11863-2500000 (the “**Social Impact Fund**”) and authorized expenditures from this fund to include, but not be limited to, performance-based payments to contractors providing housing and case management for homeless individuals; and

WHEREAS, the City desires to implement a “Social Impact Bond” or “Pay for Success” initiative to provide supportive housing to certain homeless individuals as further described herein (the “**Project**”); and

WHEREAS, the Corporation for Supportive Housing (“**CSH**”) and Enterprise Community Partners, Inc. (“**Enterprise**”) were selected by the City to serve as intermediary organizations for the Project; and

WHEREAS, the SPV, Denver PFS, LLC, is a limited liability company that was created jointly by CSH and Enterprise to enter into and perform the obligations of the SPV under this Contract;

WHEREAS, the SPV will contract with CSH to perform the role of “**Project Manager**,” as set forth in this Contract and the Project Manager Agreement, and CSH will subcontract certain responsibilities of the Project Manager to Enterprise; and

WHEREAS, the SPV will contract with Enterprise to perform the role of the “**Fiscal Agent**,” as set forth in this Contract and the Fiscal Agent Agreement; and

WHEREAS, the SPV will contract with the Colorado Coalition for the Homeless (“**CCH**”) and the Mental Health Center of Denver (“**MHCD**”) (collectively, CCH and MHCD are referred to herein as the “**Service Providers**”) for the provision of the Services, as set forth in this Contract and the Service Agreements; and

WHEREAS, the City will contract with the Urban Institute (the “**Independent Evaluator**”) to evaluate the Project, as set forth in this Contract and the Independent Evaluator Agreement; and

WHEREAS, the SPV will contract with a third party validator appointed by the Lenders (the “**Validator**”) to validate the calculation of Success Payments by the Independent Evaluator, as set forth in this Contract and the Validator Agreement; and

WHEREAS, the operational costs of the SPV, the Project Manager, the Fiscal Agent, the Validator and the Service Providers will be paid with funds provided by the Lenders in the form of loans or other transfers or pledges of monies to be made to the SPV as set forth in this Contract and in the Loan Documents; and

WHEREAS, the City will make Success Payments to the SPV pursuant to this Contract only if specific, measurable outcomes are achieved by the Project; and

WHEREAS, to the extent the Services contemplated under this Contract and the Service Agreements do not yield results such that the City is obligated to make Success Payments in a sufficient amount for the SPV to pay all amounts due under the Loans, any resulting shortfall of amounts due on the Loans will be forgiven, and the SPV will not have any obligation to pay any such shortfall on the Loans, except as set forth under the terms of this Contract.

NOW, THEREFORE, the Parties are entering into this Contract to facilitate the implementation of the Project and to set forth the City’s obligations to make Success Payments upon the achievement by the Project of the outcomes described herein.

ARTICLE 1

TERM

Section 1.01 Obligations Commencing on the Execution Date. Except as set forth in Section 1.02 and Section 1.03 hereof, the Parties shall start performing their duties and obligations in accordance with the terms and conditions of this Contract upon the Effective Date.

Section 1.02 Project Launch Conditions. The “**Effective Date**” shall be the date on which the City and the SPV shall have each provided written acknowledgment, with Lender Consent, that all of the following conditions have been satisfied or waived (collectively, the “**Project Launch Conditions**”):

(a) The City and the Independent Evaluator have executed the Independent Evaluator Agreement, in a form reasonably acceptable to the Lenders, the City, the Independent Evaluator, and the Project Manager, which requires the Independent Evaluator to perform the scope of work as substantially set forth in Exhibit D-1.

(b) The SPV and the Project Manager have executed the Project Management Agreement, in a form reasonably acceptable to the Lenders, the City and the Project Manager, which requires the Project Manager to perform the scope of work as substantially set forth in Exhibit D-2.

(c) The SPV and the Fiscal Agent have executed the Fiscal Agent Agreement, in a form reasonably acceptable to the Lenders, the Project Manager, the City, and the Fiscal

Agent, which requires the Fiscal Agent to perform the scope of work as substantially set forth in Exhibit D-3.

(d) The SPV and CCH have executed a Service Agreement, in a form reasonably acceptable to the Lenders, the Project Manager, the City, and CCH, which requires CCH to perform the scope of work as substantially set forth in Exhibit D-4.

(e) The SPV and MHCD have executed a Service Agreement, in a form reasonably acceptable to the Lenders, the Project Manager, the City, and MHCD, which requires MHCD to perform the scope of work as substantially set forth in Exhibit D-5.

(f) The SPV and all of the Lenders have executed all Loan Documents documenting loans that provide sufficient funding for the Project.

(g) The City and the Project Manager have agreed that there are a sufficient number of Eligible Referrals such that the first twenty-five (25) housing units can promptly be leased to Participants.

(h) The City has deposited at least \$3,600,000 into the Social Impact Fund.

(i) Each Service Provider has provided evidence of board or other approval of the Project or has represented in its Service Agreement that no further approvals or consents are required to enter into and perform under its Service Agreement, as well as copies of its current articles of incorporation and bylaws.

(j) The SPV has secured insurance coverage, acceptable to the SPV and the City and with Lender Consent.

Section 1.03 Determination of Project Launch. In the event that the Effective Date has not occurred within 30 days of the Execution Date, the Governance Committee will meet on a biweekly basis to facilitate the achievement of the Project Launch Conditions. In the event the Parties do not agree in writing, with Lender Consent, that the Project Launch Conditions have been satisfied on or before July 31, 2016, this Contract shall automatically terminate and have no further force or effect, and no Party, or any of their respective affiliates or any of their members, managers, officers, or directors will have any liability of any nature whatsoever under this Contract, and, as set forth in the Loan Documents, the SPV shall return to the Lenders, on a pro rata basis, any unused Loan proceeds provided by the Lenders to the SPV by such date.

Section 1.04 Term of the Project and this Contract.

(a) For the purpose of measuring outcomes of the Project, the Project is deemed to have commenced on January 1, 2016 (the “**Project Start Date**”) (and for the avoidance of doubt, the SPV’s obligations under this Agreement shall commence on the Effective Date). Unless terminated earlier or extended with Lender Consent pursuant to the terms of this Contract, the Project shall terminate on the date that is sixty months after the Project Start Date (the “**Project Term**”).

(b) Except as otherwise set forth in this Contract, all rights and obligations of the Parties shall remain in effect for the duration of the Project Term and until such time thereafter that all Success Payments due from the City have been paid to the SPV, the SPV has distributed all accumulated Success Payments in accordance with this Contract and the Loan Documents, and any other Project wind-down activities and payments associated therewith have been completed.

Section 1.05 Quarters. For purposes of this Contract, each “**Quarter**” shall coincide with a calendar quarter (beginning on January 1st, April 1st, July 1st, or October 1st).

ARTICLE 2

SERVICES; EVALUATION

Section 2.01 Service Agreements. On or prior to the Effective Date, the SPV will execute (i) a contract with CCH to perform the CCH Program (as defined below), and (ii) a contract with MHCD to perform the MHCD Program (as defined below) (collectively, such contract with CCH and such contract with MHCD are referred to herein as the “**Service Agreements**”).

Section 2.02 Services. CCH will provide the services described in Exhibit D-4 attached hereto (the “**CCH Program**”), and MHCD will provide the services described in Exhibit D-5 attached hereto (the “**MHCD Program**”) (collectively, the CCH Program and the MHCD Program are referred to herein as the “**Services**”). Unless terminated earlier or extended pursuant to the terms of this Contract and the Service Agreements, the Services shall terminate on the date that is sixty (60) months after the Project Start Date.

Section 2.03 Referral Population.

(a) Target Population. The “**Target Population**” shall consist of homeless individuals who are individuals with a record of at least eight arrests over the past three years in Denver County and a documented case of transiency at the time of their last arrest as further defined in Exhibit B, “**the Evaluation Plan**”.

(b) Identification of Eligible Referrals from Target Population. As set forth in the Evaluation Plan, the Independent Evaluator will identify and screen the Target Population for eligibility (the “**Eligible Referrals**”) under the criteria set forth in the Evaluation Plan (the “**Eligibility Criteria**”). As set forth in the Evaluation Plan, the Independent Evaluator will assign Eligible Referrals to (i) a control group (the “**Control Group**”) that will not be referred to the Service Providers to receive the Services or (ii) a treatment group that will be referred to the Service Providers to receive the Services. The Service Providers will obtain consent from all Participants for participation in the Services prior to the commencement of such Services. Upon referral to either the CCH Program or the MHCD Program, participating Eligible Referrals (the “**Participants**”) will receive the Services from a Service Provider.

(c) Projected Participant Referral Schedule. Table B of the Evaluation Plan, “**Minimum Treatment Randomization Timeline**”, identifies the minimum projected schedule for referral of Participants into the Project.

Section 2.04 Independent Evaluator Agreement.

- (a) Prior to the Effective Date, the City will execute a contract with the Independent Evaluator to perform the scope of work set forth in Exhibit D-1.
- (b) The City shall not terminate the Independent Evaluator or replace the Independent Evaluator without the Approval of the Governance Committee.
- (c) The Independent Evaluator Agreement will require that the Independent Evaluator deliver the reports with respect to the payment of Success Payments to the Lenders at the same time they are delivered to the City and the SPV under this Contract.

Section 2.05 Evaluation Plan.

- (a) The Independent Evaluator has prepared, and the Parties have hereby incorporated into this Contract, the Evaluation Plan attached hereto as Exhibit B. In the interest of clarity, in the event of any discrepancy between the Evaluation Plan and this Contract, the terms of the Evaluation Plan shall control.
- (b) The Evaluation Plan may be amended for any reason in writing with the Approval of the Governance Committee.

Section 2.06 Provision of Information. Each of the Parties hereby agrees to provide such information as is required pursuant to this Contract, including the Evaluation Plan, to each other and the Independent Evaluator, as is necessary for each party to carry out its respective evaluation and other responsibilities in accordance with this Contract and the Evaluation Plan; provided that the Parties agree that the data collected by the Independent Evaluator and the sharing of such data shall be subject to the terms of the Independent Evaluator Agreement. The Independent Evaluator Agreement will require that, upon termination of such Agreement, the Independent Evaluator will return to the City and the SPV, and provide an irrevocable license to the City and the SPV to use, all of the data, reports, analyses, work product and intellectual property provided or acquired by the Independent Evaluator in connection with the Project, except for confidential information regarding any Participant, in a format specified by the City and the SPV.

ARTICLE 3
PROJECT FUNDING; PAYMENTS

Section 3.01 Project Budget. The Project Budget in Exhibit C sets forth the agreed upon total cost for the delivery of the Services and certain other costs associated with the administration of the Project (such total costs, collectively, “**Total Project Costs**”) over the Project Term. Subject to the provisions of the Service Agreements, the Project Budget may be amended from time to time during the Project Term with the Approval of the Governance Committee (as herein defined); provided, however, that the Approval of the Governance Committee shall not be required for amendments to line items that do not change any such line item by more than 10% per line item, so long as such aggregated line item changes do not cause the Total Project Costs to change.

Section 3.02 SPV Operating Account. The SPV shall maintain a deposit account (the “**SPV Operating Account**”) at PNC Bank, National Association, or any successor financial institution that is approved by Lender Consent. All monies received by the SPV from the Lenders pursuant to the Loan Documents and from the City for Success Payments shall be deposited into the SPV Operating Account. Any interest earned on such monies shall be held within the SPV Operating Account. Any monies within the SPV Operating Account may only be transferred from the SPV Operating Account to (i) pay the Total Project Costs as set forth in this Contract, the Service Agreements, the Project Manager Agreement, the Fiscal Agent Agreement and the Validator Agreement and in accordance with the Loan Documents; (ii) at the end of the Project Term, disburse any funds remaining in the SPV Operating Account in a manner that is consistent with this Contract and the Loan Documents; (iii) make Success Payments to the Lenders in accordance with the Loan Documents; and (iv) in the event of a Termination Event, distribute any funds remaining in the SPV Operating Account as described in Section 8.06(h). It is acknowledged that the SPV Operating Account will be collaterally pledged to the Lenders pursuant to a collateral assignment and account control agreement. Prior to the date of the first payment that is due to be transferred into the SPV Operating Account pursuant to this Contract, the SPV shall cause the Fiscal Agent to give notice to the City and the Lenders of the account number and wire transfer instructions to be used for all transfers of amounts payable into the SPV Operating Account pursuant to this Contract. After such notice is given, no change in such account number or wire transfer instructions shall be made without further notice to the Lenders and the City.

Section 3.03 City Consent to Proposed Loan Documents. Prior to executing any Loan Agreement or material amendment thereto (“**Proposed Loan Agreement**”), the SPV shall provide notice to the City and offer the City an opportunity to review each such Proposed Loan Agreement. The SPV shall not execute any Proposed Loan Agreement unless the SPV obtains written notice (by electronic mail) from the City either (i) consenting to the SPV’s execution of such Proposed Loan Agreement, or (ii) waiving the right of the City to review such Proposed Loan Agreement. In the event that the City fails to provide any response within ten (10) Business Days of receipt of notice that the SPV intends to enter a Proposed Loan Agreement, the City will be deemed to have waived its right to review and to have consented to such Proposed Loan Agreement. Consent may be withheld by the City only to the extent that the City identifies that a provision of the Proposed Loan Agreement impacts the rights, responsibilities, or obligations of the City in a manner that is inconsistent with this Contract. For the avoidance of doubt, however, the SPV reserves sole discretion in determining whether a Proposed Loan Agreement is in acceptable form, even after it may have received consent from the City as described in this Section. The Chief Financial Officer of the City, or permitted designee, is authorized to take the actions described in this Section 3.03 on behalf of the City.

ARTICLE 4

SUCCESS PAYMENTS

Section 4.01 Maximum Success Payments. The SPV shall be entitled, subject to Section 4.05, to receive outcome-based payments from the City in an amount not to exceed \$5,292,188 with respect to the Housing Stability Success Payments and an amount not to exceed

\$6,130,000 with respect to the Jail Day Reductions Success Payments in accordance with this Contract (collectively, the Housing Stability Success Payments and the Jail Day Reductions Success Payments are referred to herein as the “**Success Payments**”).

Section 4.02 Housing Stability Success Payments Calculation and Payment. “**Housing Stability Success Payments**” means the payments, if any, that will be made by the City to the SPV in accordance with this Section, for each Participant Meeting Payment Requirement (as defined below).

(a) “**Participant Meeting Payment Requirement**” means each Participant that either (i) achieves a minimum of three hundred and sixty-five (365) Days in Stable Housing (as defined below), or (ii) experiences an Early Exit Event (as defined below). For purposes of clarity, such three hundred and sixty-five (365) day period is not required to occur within one calendar year.

(b) “**Days in Stable Housing**” means, with respect to each Participant, the total number of days that such Participant maintains a lease, sublease, or occupancy agreement in such Participant’s name; provided, however, that if such Participant is absent from such premises for a period of ninety (90) or more consecutive days for any reason except an Early Exit Event, the Days in Stable Housing shall be reset to zero for such Participant.

(c) An “**Early Exit Event**” means, with respect to each Participant, the occurrence of any of the following events, as certified by the Independent Evaluator: (i) a Participant ceases to receive Services and has relocated to other permanent housing where such Participant is named on a lease, sublease, or occupancy agreement or obtains a letter from the leaseholder or owner of a premises that such Participant may reside in such premises on a permanent basis; (ii) a Participant enters a residential treatment program for a period exceeding ninety (90) days to address a physical or behavioral health issue; (iii) a Participant is incarcerated for actions entirely occurring prior to becoming a Participant; and (iv) the death of a Participant.

(d) “**Pilot Period**” means the first six months of the Project after the Project Start Date. Participants identified by the Service Providers for Continuum of Care Bonus Vouchers during the Pilot Period for whom the process of establishing housing began prior to the Effective Date or who are in housing prior to the Effective Date shall be included solely in determining Housing Stability Success Payments and shall not be included in determining Jail Day Reductions Success Payments. The maximum number of Participants identified for Continuum of Care Bonus Vouchers that become Participants during the Pilot Period shall be nine (9).

(e) Housing Stability Success Payments will be calculated by the Independent Evaluator by multiplying (i) the number of Days in Stable Housing, less any days during such period that the Participant is incarcerated and less any days that are a part of the Pilot Period, for each Participant Meeting Payment Requirement by (ii) the amount of \$15.12. The Independent Evaluator shall certify the amount of Housing Stability Success Payments that the City is required to pay in a report to be submitted to the City, the SPV and the Lenders by the dates set forth in the table below (the “**Quarterly Housing Stability Outcomes Report**”), a form of which is attached as “Attachment C” of the Evaluation Plan attached hereto as Exhibit B. The

Independent Evaluator's ability to produce the Quarterly Housing Stability Outcomes Report on time is dependent upon receiving proper information from Service Providers and the City's Sheriff's Department. To the extent there are delays in the receipt of such information that affect the ability of the Independent Evaluator to deliver a Quarterly Housing Stability Outcomes Report on a timely basis, the Independent Evaluator shall inform the Governance Committee, and the deadline for that Quarterly Housing Stability Outcomes Report and the payment date of the related Housing Stability Success Payment may be extended at the discretion of the Governance Committee.

Period of Project Under Evaluation, Housing Stability	Housing Stability Outcomes Observed Through	Independent Evaluator Report Deadline	City Payment Deadline
Q1-6	6/30/17	9/15/2017	10/30/2017
Q1-10	6/30/18	9/15/2018	10/30/2018
Q1-14	6/30/19	9/15/2019	10/30/2019
Q1-18	6/30/20	9/15/2020	10/30/2020
Q1-20	12/31/20	5/15/2021	6/29/2021

(f) Within forty-five (45) days after receipt of the Quarterly Housing Stability Outcomes Report, regardless of whether there are any disputes in the calculations of the Independent Evaluator as described in paragraphs (f) or (g) of Section 4.02, the City shall deposit into the SPV Operating Account funds sufficient to pay the Housing Stability Success Payments that have been earned for the period ending on that last date covered by such report and not previously paid by the City, if any; provided, however that, for the last installment of Housing Stability Success Payment, if the City disputes the calculations of the Independent Evaluator, the City may withhold payment of the amount in dispute until the amount is finally determined through the dispute resolution process below. The City may dispute calculations within fifteen (15) days after receipt of the Quarterly Housing Stability Outcomes Report by providing written notice of any errors in calculations to the Independent Evaluator, SPV, and Lenders. The Independent Evaluator will have fifteen (15) days after such notice from the City to make corrections. Within five (5) Business Days of the City's deposit of Housing Stability Success Payments funds into the SPV Operating Account, the SPV shall disburse such Housing Stability Success Payments to the Lenders pursuant to the terms and conditions of the Loan Documents.

(g) The Validator shall validate the outcomes set forth in the Quarterly Housing Stability Outcomes Report using the same data used by Independent Evaluator for such certification. Based on the work of the Validator, the Lenders (by vote of Lenders required for Lender Consent) may dispute the outcomes set forth in the report of the Independent Evaluator and the amount of Success Payments due, by delivering notice to the SPV, the City and the Independent Evaluator, accompanied by a report from the Validator describing the reasons for

the differences in the outcomes reported. Such notice and report shall be delivered within 30 days of receipt by the Lenders of the Housing Stability Outcomes Report. If the Lenders deliver such a notice and report, the SPV, the City, the Independent Evaluator and the Lenders shall negotiate in good faith to resolve the dispute as soon as practicable. If the dispute is not resolved to the satisfaction of the SPV, the City, the Independent Evaluator and the Lenders (by vote of Lenders required for Lender Consent) within 15 days of the dispute notice, the Lenders and the City shall appoint a third party with expertise in such matters to evaluate the reports of the Independent Evaluator and the Validator, mediate an agreement, and if an agreement is not reached (with Lender Consent), issue a binding decision regarding the outcomes. If applicable, City will have 45 days from the end of this dispute resolution process to make additional Success Payments as needed to make up for any shortfalls in its initial payment of Success Payments. If the initial Success Payment made by the City is more than the amount due as finally determined through this dispute resolution process, the surplus shall be credited to the next Success Payment due.

Section 4.03 Jail Day Reductions Success Payments Calculation and Payment. **“Jail Day Reductions Success Payments”** means the payments that will be made by the City to the SPV, if any, for each positive Percentage Difference in Average Jail Days in accordance with this Section.

(a) **“Percentage Difference in Average Jail Days”** will be determined by the Independent Evaluator by (i) subtracting the Treatment Group Number of Average Jail Days from the Control Group Number of Average Jail Days, (ii) dividing such number by the Control Group Number of Average Jail Days, and (iii) multiplying such number by one hundred (100). Such calculation may result in a positive or negative percentage. Participants enrolled or housed before the Effective Date as described in Section 4.02(d) shall not count for purposes of calculating Jail Days Success Payments. Resulting percentages will be rounded to the nearest integer.

(b) **“Treatment Group Number of Average Jail Days”** means the total number of Average Jail Days that Participants assigned to the Treatment Group were incarcerated in the City’s jail during each 1,095 (365x3) consecutive day period, determined separately for each Participant, commencing with the date the Participant is assigned to the Treatment Group, and any 1,095 consecutive day period must end on or prior to last day of the Project Term in order to be included in determining the Treatment Group Number of Average Jail Days.

(c) **“Control Group Number of Average Jail Days”** means the total number of Average Jail Days that Eligible Referrals assigned to the Control Group were incarcerated in the City’s jail during each 1,095 (365x3) consecutive day period, determined separately for each Participant, commencing with the date the Participant is assigned to the Control Group, and any 1,095 consecutive day period must end on or prior to last day of the Project Term in order to be included in determining the Control Group Number of Average Jail Days.

(d) Jail Day Reductions Success Payments will be determined by the Independent Evaluator by calculating the Percentage Difference in Average Jail Days and then

identifying the corresponding dollar amount identified in the “Payment Amount” column of the payment scale set forth below:

Percentage Threshold	Payment Per Percentage Point
< 20%	\$0
20 to < 30%	\$160,000
30 to < 65%	(30 x \$160,000) + \$38,000 per percentage point above 30%
≥ 65%	Max Payment (\$6,130,000 total)

If the Percentage of Average Jail Day Reductions is a negative number, then the Jail Day Reductions Success Payments will be zero. The Independent Evaluator shall certify the amount of the Jail Day Reductions Success Payments required to be made by the City and the accuracy of this information in a report to be submitted to the City, the SPV and the Lenders by May 15th, 2021, which report shall cover the evaluation period from Quarters 1 through 20 and Jail Day outcomes observed through Quarter 20 (the “**Final Wind Up Jail Days Outcomes Report**”), a form of which is attached hereto as “Attachment D” of the Evaluation Plan attached as Exhibit B.

(e) Within forty-five (45) days of receipt of the Final Wind Up Jail Days Outcomes Report the City shall deposit into the SPV Operating Account funds sufficient to pay the Jail Day Reductions Success Payments that have been earned, if any. Within five (5) Business Days of the City’s deposit of any such funds into the SPV Operating Account, the SPV shall disburse such Jail Day Reductions Success Payments to the Lenders pursuant to the terms and conditions of the Loan Documents. The dispute resolution process outlined in Section 4.02(g), if applicable, shall apply.

Section 4.04 City Representations on Success Payments.

(a) The City is authorized to enter into this Contract and to carry out its obligations hereunder. The City has duly authorized and approved the creation of the Social Impact Fund and the use of funds deposited therein to make Success Payments.

(b) The City represents that, as of the Effective Date, the balance in the Social Impact Fund is not less than \$3,600,000.

Section 4.05 City Financial Obligations Limited to Monies on Deposit in the Social Impact Fund; Pledge; Deposit of Monies to Social Impact Fund Subject to Annual Appropriation.

(a) The City’s obligation to pay Success Payments shall be limited to moneys on deposit in the Social Impact Fund, which are hereby irrevocably pledged to the payment of the Success Payments and payments to be made under the Independent Evaluator Agreement so long as this Contract is in effect. On and after the Effective Date, monies in the Social Impact

Fund shall be held in cash or, if invested, shall be invested only in accordance with the Charter and the City's investment policy, and earnings shall remain in the Social Impact Fund.

(b) Monies currently held in the Social Impact Fund shall remain in the Social Impact Fund. Additional monies appropriated for deposit into the Social Impact Fund in Fiscal Year 2016 and monies appropriated for deposit into the Social Impact Fund in subsequent Fiscal Years shall be deposited into the Social Impact Fund.

(c) The Chief Financial Officer or other officer of the City at any time charged with the responsibility of formulating budget proposals is hereby directed to include in the annual budget proposals submitted to the Council, for any Fiscal Year in which this Contract shall be in effect, the amounts sufficient to maintain minimum balances in the Social Impact Fund that are set forth in Exhibit E on the dates set forth therein in each Fiscal Year in which this Contract is in effect. To the extent that the minimum balance set forth in Exhibit E for a particular Fiscal Year is not maintained by the City and the SPV has not exercised (including at the direction of the Lenders) its option to terminate this Contract pursuant to Section 8.03(d), the Chief Financial Officer or other officer of the City is hereby directed to include in the annual budget proposal for the succeeding Fiscal Year the amount needed to maintain such minimum balance by the City for the prior Fiscal Year in addition to the amount needed to maintain the minimum balance for such succeeding Fiscal Year. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the City that any decision to effect an appropriation shall be made solely by the City and the actions of the officials of the City.

(d) The City's payment obligation, whether direct or contingent, extends only to funds appropriated annually by the Council, paid into the Treasury of the City, and encumbered for the purpose of this Contract. The City does not by this Contract irrevocably pledge present cash reserves for payment or performance in future fiscal years. This Contract does not and is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.

Section 4.06 City Notification. In the event funds in the amount set forth in Exhibit E are not appropriated for any Fiscal Year, the City will notify the SPV and the Lenders of such occurrence in writing no later than December 15 of the immediately preceding Fiscal Year.

Section 4.07 Early Housing Stability Success Payments.

(a) If this Contract is terminated prior to the end of the Project Term due to a Termination Event, the City shall request that, within ninety (90) Days of such termination, or if Housing Stability Success Payments include the three month wind down period after termination as described in paragraph (b) below, within ninety (90) days after the end of such wind-down period, the Independent Evaluator submit to the City, the SPV and the Lenders a Housing Stability Outcomes Report calculating the Housing Stability Success Payments that have accrued in accordance with Section 4.02 as of the date of the Termination Event, if any (the "**Early Housing Stability Success Payments**"); provided, however, that if the Termination Event is caused solely due to the actions or inactions of the City, the minimum requirement set forth in Section 4.02(a)(i) shall be waived.

Within forty-five (45) days of receipt of such Housing Stability Outcomes Report, the City shall deposit into the SPV Operating Account funds sufficient to pay the Early Housing Stability Success Payments that have been earned for the period ending on that last date covered by such report and not previously paid by the City, if any. Within five (5) Business Days of the City's deposit of any such funds into the SPV Operating Account, the SPV shall disburse such Early Housing Stability Success Payments to the Lenders pursuant to the terms and conditions of the Loan Documents. The dispute resolution process outlined in Section 4.02(g), if applicable, shall apply.

(b) If this Contract is terminated due to a Termination Event specified in Section 8.03(a) through (d), Section 8.04(a) through (b), Section 8.04(f) through (l), or Section 8.05(b), calculations of Housing Stability Success Payments shall include Participants receiving Services during the three-month wind-down period after the termination date.

Section 4.08 Early Jail Day Reductions Success Payments.

(a) If (i) this Contract is terminated prior to the end of the Project Term due to a Termination Event, (ii) at least seventy-five (75) Participants were included as part of the Treatment Group for a period of at least one (1) year, and (iii) at least seventy-five (75) Eligible Referrals were included as part of the Control Group for a period of at least one (1) year, then the City shall request that, within ninety (90) Days of such termination, the Independent Evaluator submit to the City, the SPV and the Lenders a Final Wind Up Jail Days Outcomes Report calculating the Jail Day Reductions Success Payments that have accrued in accordance with Section 4.03 (the "**Early Jail Day Reductions Success Payment**"), except that Jail Days reductions shall be calculated based upon the following:

- (i) Payments will be based upon the longest identifiable enrollment period of results ranging from one (1) to three (3) years, so long as there are at least 75 Participants in the identified results period. Payment will be based only upon the results of Participants in the longest identified enrollment group. To the extent that some Participants within the group have additional year(s) of results, those years will not be counted.
- (ii) Payments will be: (1) adjusted based upon a "Percentage Multiplier" based upon investments draws that equal the percentage of the total investment made up until the point of early termination based upon the following table; (2) draw amounts shall be adjusted to actual draws, to the extent that they differ from the table below, but adjustments shall not exceed a five percent (5%) increase in any given year; and (3) Success Payments shall not exceed an amount that would create an Internal Rate of Return (calculated using the XIRR function in Microsoft Excel, the "IRR") higher than maximum IRR defined for City Default or Non-Default situations in the following table.

If Termination Occurs During Quarter	Scheduled Total Draw	Percentage Multiplier	Max IRR (City Default)	Max IRR (No City Default)
1	\$ 673,776	15%	12%	8.4%
2	\$ 673,776	15%		
3	\$ 764,311	16%		
4	\$ 940,023	20%		
5	\$ 1,267,046	27%		
6	\$ 1,594,070	34%		
7	\$ 1,921,093	41%		
8	\$ 2,155,738	47%		
9	\$ 2,390,382	52%		
10	\$ 2,625,026	57%		
11	\$ 2,859,670	62%		
12	\$ 3,085,166	67%		
13	\$ 3,304,623	71%		
14	\$ 3,524,080	76%		
15	\$ 3,743,537	81%		
16	\$ 3,955,370	85%		
17	\$ 4,172,973	90%		
18	\$ 4,390,576	95%		
19	\$ 4,608,179	99%		
20	\$ 4,634,695	100%		

(iii) Early Jail Days Reduction Success Payment = Percentage Multiplier x Original Payment Per Percentage Point (Adjusted to Max payment if IRR exceeds limits)

(b) Within forty-five (45) days of receipt of such Final Wind Up Jail Days Outcomes Report, the City shall deposit into the SPV Operating Account funds sufficient to pay the Early Jail Day Reductions Success Payments that have been earned through the end of the period covered by such report and not previously paid by the City, if any. Within five (5) Business Days of the City's deposit of any such funds into the SPV Operating Account, the SPV shall disburse such Early Jail Day Reductions Success Payments to the Lenders pursuant to the terms and conditions of the Loan Documents. The dispute resolution process outlined in Section 4.02(g), if applicable, shall apply.

ARTICLE 5

OVERSIGHT AND REPORTING

Section 5.01 Operating Committee. An operating committee comprised of the parties identified under subsection (b) of this Section (the “**Operating Committee**”) shall be established to facilitate successful operation of the Project, highlight any concerns, discuss trends and monitor progress of the Project. In particular, the Operating Committee shall focus on the referral process of Eligible Referrals, the housing resources available to the Target Population, identifying and monitoring program trends, and monitoring the progress of the Participants. The Operating Committee will serve as an advisory committee to facilitate programmatic adjustments in the interest of improving the provision of Services and/or the efficiency of the Project and will not have any authority to bind the Parties in any way under this Contract or to change any terms of this Contract or the Loan Documents.

(a) The Operating Committee shall hold regular meetings (“**Operational Meetings**”) at least twice per month commencing on the Effective Date until six (6) months thereafter, and, after such time, at least once a month for the remainder of the Project Term. The Project Manager shall provide written notice to the Operating Committee Members (as defined below) and the Lenders of regularly scheduled Operational Meetings on an annual basis, any changes to the schedule within at least five Business Days of the change and each emergency meeting as soon as practicable after the emergency meeting is scheduled.

(b) As of the Effective Date, the Operating Committee’s membership will include at minimum representatives from the City, Enterprise, CSH, the Service Providers, and the Independent Evaluator (collectively, the “**Operating Committee Members**”). The Operating Committee Members may be expanded to include representatives from other organizations as determined by the existing Operating Committee Members. Each of the Lenders may attend all meetings of the Operating Committee. The Project Manager is responsible for the raising of agenda items identified by the Project Manager or the Operating Committee Members and facilitating group discussions at the Operational Meetings. The Project Manager shall prepare an agenda and circulate the agenda to all Operating Committee Members and the Lenders at least two (2) Business Days in advance of any Operational Meeting. The agenda for an Operational Meeting may include the following items:

- (i) A discussion of the most recent Service Provider Reports and the most recent report of the Independent Evaluator, to the extent such reports have not been discussed at an earlier meeting;
- (ii) A description of any significant changes to the Services that are being considered or implemented;
- (iii) A discussion of the referral process and any changes that should be or are being considered or implemented;
- (iv) A discussion of the housing resources available to the Participants, the access and placement process for housing, and

any changes that should be or are being considered or implemented;

- (v) A discussion of the engagement of Participants into the Services and any changes that should be or are being considered or implemented;
- (vi) A discussion of the retention levels of Participants in the Services and any changes that should be or are being considered or implemented;
- (vii) A discussion of the implementation and operation of the referral process and any changes that should be or are being considered or implemented;
- (viii) A discussion of any critical incidents involving Participants since the last meeting;
- (ix) A discussion of any changes to the anticipated funding needs of the SPV, the Service Providers, the Fiscal Agent, or the Project Manager in connection with their performance under this Contract and any related agreements;
- (x) A discussion of issues related to systemic barriers to housing stability;
- (xi) A discussion of issues related to income and benefits as related to Participants and access thereto; and
- (xii) A discussion of the evaluation of Participants to date.

(c) The Project Manager shall prepare and circulate, by electronic mail, minutes of all Operational Meetings within five (5) Business Days after the meeting to all Operating Committee Members and the Lenders. Minutes shall be deemed approved within two (2) Business Days if no objections have been submitted to the Project Manager by any of the Operating Committee Members.

(d) Any of the Operating Committee Members may call for a special meeting of the Operating Committee upon one Business Days' notice to discuss an urgent matter. The notice for the special meeting of the Operating Committee shall include the agenda and reason for the special meeting.

(e) All Operational Meetings may be held in person or by phone or similar communication medium.

Section 5.02 Governance Committee Meetings.

(a) A governance committee consisting of the parties identified below and in Exhibit G (the “**Governance Committee**”) shall be established for the purpose of resolving disputes and making certain determinations as outlined in this Contract.

(b) The Governance Committee’s voting membership will consist of the City, the Project Manager, in its capacity as the SPV’s representative, the Lenders, the Independent Evaluator and the Service Providers; provided that matters that require the approval of the Governance Committee under this Contract shall require the unanimous vote of the City and the Lenders (which vote of the Lenders shall be determined in the same manner as Lender Consent) (“**Approval of the Governance Committee**”) and shall not require concurring votes of any other members of the Governance Committee. To the extent other parties attend a Governance Committee meeting, such parties will not be entitled to a vote. Failure of any City or Project Manager Governance Committee member or its qualified designee to attend more than two (2) regularly scheduled meetings in any calendar year shall constitute a Material Breach by the City or the SPV, respectively, under this Contract.

(c) The Project Manager shall provide written notice to all members of the Governance Committee of regularly scheduled Governance Committee Meetings on an annual basis, any changes to the schedule within at least five Business Days of the change and each emergency meeting as soon as practicable after the emergency meeting is scheduled.

(d) Governance Committee meetings shall be held once per Quarter or such other schedule as the members of the Governance Committee shall deem appropriate. Any of the Governance Committee members may call for a special Governance Committee meeting upon two (2) Business Days’ notice to discuss an urgent matter. The notice for the special Governance Committee meeting provided by the Project Manager shall include the agenda and reason for the special meeting.

(e) The Project Manager shall work with the Operating Committee members to prepare an agenda and circulate the agenda and most recent Service Provider Reports and report of the Independent Evaluator, by electronic mail, to all members of the Governance Committee, at least five (5) Business Days in advance of any Governance Committee meeting, except in the case of a special Governance Committee meeting, in which case Project Manager will distribute an agenda as soon as reasonably practicable.

(f) All Governance Committee meetings may be held in person or by phone or similar communication medium.

(g) The Project Manager shall prepare and circulate minutes of all Governance Committee Meetings within five (5) Business Days after the Governance Committee meeting to all Governance Committee members. Meeting participants shall have two (2) Business Days to comment on the draft minutes after which the minutes will be deemed approved.

(h) The Governance Committee, in considering the matter at issue, may seek input from any member of the Operating Committee or any other person or entity it deems useful.

(i) The Chief Financial Officer of the City, or permitted designee, is authorized to take the actions described in this Article 5 of the Contract on behalf of the City.

Section 5.03 Reporting on SPV Operating Account. Within forty-five (45) days from the end of each Quarter, the SPV shall cause the Fiscal Agent to provide financial statements for the SPV Operating Account to the Operating Committee. If the balances in the SPV Operating Account as of the end of any Quarter vary by more than ten percent (10%) from the balances assumed in the Project Budget attached hereto as Exhibit C, then the SPV will provide a detailed report to the Operating Committee setting forth the reasons for such variance. Any corrective action plan developed may require Lender Consent pursuant to the Loan Documents.

Section 5.04 Performance of the Independent Evaluator. The City will be responsible for enforcing the Independent Evaluator Agreement, including ensuring the timing of the Independent Evaluator's reports, analyses, and the performance of the Independent Evaluator's obligations set forth in Exhibit D-1 and the Evaluation Plan. The City is not required to file any suit in equity or at law to enforce the Independent Evaluator's obligations. Such enforcement rights shall include the termination and replacement of the Independent Evaluator under the Independent Evaluator Agreement for failure to comply with its obligations hereunder or thereunder. Any such replacement is subject to Approval of the Governance Committee. The Independent Evaluator will be permitted to terminate the Independent Evaluator Agreement in accordance with its terms with the effect described in Section 8.04(b) hereof.

Section 5.05 Performance of the Service Providers. The SPV will be responsible for enforcing the Service Agreements, including ensuring the timing of each of the Service Provider Reports, analyses, and the performance of the Service Providers of the obligations set forth in Exhibit D-4 and Exhibit D-5; provided, however, that the SPV's resources for enforcing such contracts are limited to the assets within the SPV Operating Account. The SPV is not required to file any suit in equity or at law to enforce the Service Provider's obligations. Such enforcement rights shall include the termination and replacement of a Service Provider under a Service Agreement for failure to comply with its obligations hereunder or thereunder. Any such replacement is subject to Approval of the Governance Committee. A Service Provider will be permitted to terminate a Service Agreement in accordance with the terms in its respective Service Agreement with the effect described in Section 8.04(c) hereof.

Section 5.06 Performance of the Project Manager. The SPV will be responsible for enforcing the provisions of the Project Manager Agreement, including the performance of the obligations set forth in Exhibit D-2; provided, however, that the SPV's resources for enforcing such contract are limited to the assets within the SPV Operating Account. The SPV is not required to file any suit in equity or at law to enforce the Project Manager's obligations. Such enforcement rights shall include the termination and replacement of the Project Manager under its agreement for failure to comply with its obligations hereunder or thereunder. Any such replacement is subject to Approval of the Governance Committee. The Project Manager will be permitted to terminate the Project Manager Agreement only upon a Termination Event or in the

event the Project Manager's continued performance thereunder is impracticable with the effect described in Section 8.04(d) hereof.

Section 5.07 Performance of the Fiscal Agent. The SPV will be responsible for enforcing the provisions of the Fiscal Agent Agreement, including the performance of the obligations set forth in Exhibit D-3; provided, however, that the SPV's resources for enforcing such contract are limited to the assets within the SPV Operating Account. The SPV is not required to file any suit in equity or at law to enforce the Fiscal Agent's obligations. Such enforcement rights shall include the termination and replacement of the Fiscal Agent under its agreement for failure to comply with its obligations thereunder. Any such replacement is subject to Approval of the Governance Committee. The Fiscal Agent will be permitted to terminate the Fiscal Agent Agreement only upon a Termination Event or in the event Fiscal Agent's continued performance thereunder is impracticable, due, for example, to Fiscal Agent's inability to perform the requisite services in accordance with its budgeted fees due to changes in accounting rules. Such termination will have the effect described in Section 8.04(e) hereof.

Section 5.08 Performance of the Validator. The SPV will be responsible for enforcing the Validator Agreement, including performance of the Validator's obligations thereunder; provided, however, that the SPV's resources for enforcing such contract is limited to the assets within the SPV Operating Account. The SPV is not required to file any suit in equity or at law to enforce the Validator's obligations. Any replacement Validator is subject to Approval of the Governance Committee. The Validator will be permitted to terminate the Validator Agreement in accordance with the terms in the Validator Agreement.

Section 5.09 Lender Consent. For purposes of this Contract, **"Lender Consent"** means Housing Stability Lender Consent and Jail Day Reductions Lender Consent so long as Housing Stability Lender Consent and Jail Day Reductions Lender Consent reflect the same outcome. If Housing Stability Lender Consent and Jail Day Reductions Lender Consent are not in agreement, Lender Consent shall be determined by a vote of 60% of the Lenders, based on dollars of funding committed; *provided, however*, that (i) if a Lender is in breach of its obligation to fund, the "funding committed" for such Lender, for the purpose of determining Lender Consent, shall be deemed to be the amount of funding actually released as of the date such consent is being sought and (ii) if a Lender is not in breach but has transferred its future funding commitments to a third party (other than a transfer to an affiliate of the Lender and other than a transfer due to acquisition of the Lender by a third party), the "funding committed" for such Lender, for the purpose of determining Lender Consent, shall be deemed to be the amount of funding actually released as of the date such consent is being sought plus the amount, if any, such Lender shall be committed to fund in the future. **"Housing Stability Lender Consent"** means the consent of the Housing Stability Lenders determined by a majority vote, based on dollars of funding committed, of the Housing Stability Lenders; *provided, however*, that (i) if a Housing Stability Lender is in breach of its obligation to fund, the "funding committed" for such Lender, for the purpose of determining Housing Stability Lender Consent, shall be deemed to be the amount of funding actually released as of the date such consent is being sought and (ii) if such Lender is not in breach but has transferred its future funding commitments to a third party (other than a transfer to an affiliate of the Lender and other than a transfer due to acquisition of the Lender by a third party), the "funding committed" for such Housing Stability Lender, for the purpose of determining Housing Stability Lender Consent, shall be deemed to be the amount of

funding actually released as of the date such consent is being sought plus the amount, if any, such Lender shall be committed to fund in the future. **“Jail Day Reductions Lender Consent”** means at least a majority by vote of the Jail Day Reductions Lenders where each Jail Day Reductions Lender receives a number of votes equal to the number of dollars of funding committed by such Jail Day Reductions Lender, *provided, however*, that (i) if a Jail Day Reductions Lender is in breach of its obligation to fund, the “funding committed” for such Lender, for the purpose of determining Jail Day Reductions Lender Consent, shall be deemed to be the amount of funding actually released as of the date such consent is being sought and (ii) if such Lender is not in breach but has transferred its future funding commitments to a third party (other than a transfer to an affiliate of the Lender and other than a transfer due to acquisition of the Lender by a third party), the “funding committed” for such Jail Day Reductions Lender, for the purpose of determining Jail Day Reductions Lender Consent, shall be deemed to be the amount of funding actually released as of the date such consent is being sought plus the amount, if any, such Lender shall be committed to fund in the future. The SPV, acting through the Project Manager, shall be responsible for notifying the Lenders regarding any matter for which Lender Consent is required under this Contract by providing the Lenders with a description of the matter submitted for Lender Consent. The Lenders shall provide written notice (including email notice) to the Project Manager of whether or not Lender Consent has been obtained regarding such matter as soon as possible, but in all events within ten (10) Business Days from the date of receipt of all information that the Lenders may reasonably request in order to provide such Lender Consent, which decision shall be made on behalf of and binding upon all Lenders.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF THE SPV

The SPV hereby represents and warrants to the City as of the date hereof and on the date of each disbursement pursuant to this Contract as follows:

Section 6.01 Organization, Good Standing, and Qualification. The SPV represents and warrants that it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, is qualified to conduct business in the State, and has all requisite corporate power and authority to own, operate and lease its properties and assets, to carry on its business as currently conducted, to provide services in accordance with this Contract, and to enter into and perform its obligations under this Contract.

Section 6.02 Authorization; Enforceability. The SPV has all requisite power and authority to enter into, execute, and deliver this Contract and perform its obligations hereunder. The execution and delivery of this Contract and the performance hereunder have been duly authorized by all necessary corporate action on the part of the SPV, and no other proceedings or actions on the part of the SPV are necessary to authorize the execution and delivery of this Contract by the SPV. This Contract has been duly and validly executed and delivered by the SPV and constitutes the valid and binding obligation of the SPV, enforceable in accordance with its terms, except as enforcement may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors’ rights generally, or (ii) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

Section 6.03 Non-Contravention. The execution and delivery of this Contract by the SPV does not, and the performance by the SPV of its obligations hereunder and the consummation of the transactions contemplated hereby shall not: (a) conflict with, result in any violation of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person or another party a right of termination, cancellation or acceleration of any obligation under: (i) any provision of the articles of organization, operating agreement, or other applicable organizational documents of the SPV; (ii) any contract, lease, agreement, or instrument by which the SPV is bound or to which the SPV's assets or properties are subject; or (iii) any law or governmental order applicable to or binding on the SPV or any of the SPV's assets and properties (except in each of (i), (ii), or (iii), where such conflict, violation, default, termination, cancellation, acceleration, or loss would not reasonably be expected to have a material adverse effect on the SPV or its ability to perform under this Contract).

Section 6.04 Governmental Consents. Except for the approval of this Contract by the Council, which shall be evidenced by the City's signature hereto, no consent, approval, authorization, license, governmental order or permit of, or declaration, filing or registration with, or notification to, any governmental authority is required to be made or obtained, and no consent or approval of any other person is required by the SPV in connection with the execution, delivery and performance of this Contract or the consummation of the transactions contemplated hereby.

Section 6.05 Compliance with Laws; Litigation.

(a) To the knowledge of the SPV, the SPV is in material compliance with all applicable laws, including, without limitation, laws that are applicable to its properties and assets, the conduct of its operations, and the performance of its services.

(b) There is no action of any nature pending or, to the knowledge of the SPV, threatened, relating to or affecting the SPV or any of its properties or assets, or that challenges or seeks to prevent, enjoin or delay the transactions contemplated in this Contract, nor, to the knowledge of the SPV, is there any reasonable basis therefor or any facts, threats, claims or allegations that would reasonably be expected to result in any such action.

(c) To the knowledge of the SPV, none of its current officers or directors has been convicted of, or pleaded guilty to or entered a plea of no contest to, any felony.

Section 6.06 Financial Statements.

(a) Prior to accepting any funds, the SPV will have in place systems and processes that are customary for a limited liability company formed under the laws of the State of Delaware, which may include entering into an agreement with a third party to provide such services to the SPV and that are designed to: (i) provide reasonable assurances regarding the reliability of its financial statements, and (ii) in a timely manner accumulate and communicate to the SPV's principal representatives the type of information that is required to be disclosed in its financial statements.

(b) Neither the SPV, nor, to the knowledge of the SPV, any of its affiliates, employees, if any, auditors, accountants or representatives has received or otherwise obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the

adequacy of the accounting systems and processes described under Section 6.06(a) or the accuracy or integrity of its financial and accounting systems. To the knowledge of the SPV, no employee, if any, has provided or threatened to provide information to any governmental authority regarding the commission of any crime or the violation of any law applicable to the SPV or any part of its operations.

Section 6.07 Disclosure. None of the representations or warranties of the SPV contained herein, and none of the other information or documents furnished or to be furnished to the City or any of their representatives by the SPV on or prior to the Effective Date, contains any untrue statement of a material fact.

Section 6.08 Use of Proceeds. The SPV will use the amounts deposited in the SPV Operating Account in the manner specified in Article 3 and Exhibit C of this Contract.

Section 6.09 Covenants. The SPV hereby covenants from and after the Effective Date, as follows:

(a) Access to Information. The SPV's books and records shall be maintained at Enterprise's Columbia, Maryland office identified in Section 9.03. The SPV shall and shall cause its officers, employees, auditors, and agents to afford the officers, employees, and authorized agents and representatives of the City and Lenders reasonable access, during normal business hours and upon a minimum of five Business Days' notice, to its books and records directly related to this Contract. Furthermore, the SPV shall cause the Fiscal Agent to make its management, employees, officers, directors, accountants, and auditors available to City representatives as the City may from time-to-time reasonably request, during normal business hours and upon a minimum of five Business Days' notice; provided that if the SPV is not performing in accordance with this Contract, and such concerns have been raised by the Governance Committee, then the SPV will provide, or will cause the Fiscal Agent to provide, the access as described in this Section on one Business Days' notice.

(b) Confidentiality and Non-Disclosure. The SPV hereby agrees to be bound by any applicable confidentiality and non-disclosure terms and conditions of the City set forth in Section 9.21, and in accordance therewith, shall adhere to the requirements and protocols relating to the protection, use, and disclosure of data and information related to the Services and the Eligible Referrals, although the Parties do not anticipate that the SPV, the Project Manager, or the Fiscal Agent will receive personally identifiable information under this Contract.

(c) SPV Activities. The SPV's obligations under this Contract are limited to the express requirements of this Contract, and the SPV shall have no obligation to perform any other services or engage in any other activities not set forth herein.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF THE CITY

The City hereby represents and warrants to the SPV as of the date hereof and on the date of each disbursement pursuant to this Contract as follows:

Section 7.01 Authorization; Enforceability. The City represents and warrants that it has all requisite power and authority to enter into, execute and to deliver this Contract and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Contract, the performance of the obligations hereunder, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the City, and no other proceedings or actions on the part of the City are necessary to authorize the execution and delivery of this Contract and the consummation of the transactions contemplated hereby. This Contract has been duly and validly executed and delivered by the City and constitutes a valid and binding obligation of the City, enforceable in accordance with its terms, except as enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights generally, or (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

Section 7.02 Non-Contravention. The execution and delivery of this Contract by the City does not, and the performance by the City of its obligations hereunder and the consummation of the transactions contemplated hereby shall not conflict with, result in any violation of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any person or another party a right of termination, cancellation or acceleration of any obligation or result in a loss of a benefit or an increase in a cost or liability under any provision of the charter or other applicable organization documents of the City.

Section 7.03 Covenants as to Social Impact Fund. The City covenants and agrees that the funds annually appropriated by the Council and deposited in the Social Impact Fund for the purposes identified in this Contract shall be encumbered each contract year, and the aggregate amount of funds appropriated to this Contract shall be encumbered before the completion of the Project Term for making Success Payments owing under this Contract in accordance with Article 4 and compensating the Independent Evaluator in accordance with the Independent Evaluator Agreement. The City agrees not to encumber such funds in favor of any other party or for any purpose other than the payment of Success Payments contemplated hereunder and amounts due to the Independent Evaluator under the Independent Evaluator Agreement.

ARTICLE 8

TERMINATION; REMEDIES

Section 8.01 Early Termination. This Contract may be terminated prior to the end of the Project Term under certain circumstances provided in Section 8.02, Section 8.03, Section 8.04, or Section 8.05 hereof (each, a "**Termination Event**"), subject to Lender Consent pursuant to Section 8.06 hereof.

Section 8.02 City Termination for Cause The City may exercise its right to terminate this Contract for cause, by delivery of written notice to the SPV, under the following circumstances (each, a "**Termination Event**"), subject to Lender Consent pursuant to Section 8.06 hereof:

(a) Failure of the SPV to Enforce Other Agreements. After receiving fifteen (15) days written notice from the City, the SPV, after expiration of all applicable notice and cure

periods, fails to enforce the terms of a Service Agreement, the Project Manager Agreement, or the Fiscal Agent Agreement (other than due to a breach by the City of this Contract) such that (i) an on-going event of default is continuing under any such agreements, and (ii) the SPV is not diligently exercising its contractual remedies to cure such default.

(b) Material Breach by the SPV. The SPV Materially Breaches (other than due to a breach by the City of this Contract) any of its obligations under this Contract other than those that give rise to an event described in paragraph (a) above, and fails to cure such breach within thirty (30) days following written notice from the City (provided that if such default by nature cannot reasonably be cured with due diligence within thirty (30) days, then the SPV shall continue to diligently pursue a cure within sixty (60) days of receiving notice).

Section 8.03 SPV Termination for Cause. The SPV may, but is not required to (except when required to pursuant to the Loan Agreement with the Lenders), terminate this Contract for cause, by delivery of written notice to the City, under the following circumstances (each, a “**Termination Event**”), subject to Lender Consent pursuant to Section 8.06 hereof:

(a) Failure of City to Make Success Payments When Due. Provided that the SPV is not in Material Breach under this Contract and a Termination Event has not otherwise taken place, if the City fails to make any Success Payments required by this Contract in accordance with Section 4.02 and Section 4.03, the SPV shall provide notice to the City of such failure, and the City will have an additional thirty (30) days after the giving of such notice to make such payment. Unless the City has notified the SPV in writing that the SPV is in Material Breach under this Contract, the City’s continued failure to make such a payment after the additional thirty (30) day period is a Termination Event. If the City has provided the notice of default described in the prior sentence, and the SPV has not cured such default, then failure to make such a payment is not a Termination Event.

(b) Failure of the City to Enforce the Independent Evaluator Agreement. After receiving fifteen (15) days written notice from the SPV, after expiration of all applicable notice and cure periods, the City fails to enforce the terms of the Independent Evaluator Agreement such that (i) an on-going event of default is continuing under such agreement, and (ii) the City is not diligently exercising its contractual remedies to cure such default.

(c) Material Breach by the City. The City Materially Breaches any of its obligations under this Contract other than those that give rise to an event described in paragraph (a) or (b) above, and fails to cure such breach within thirty (30) days following written notice from the SPV (provided that if such default by nature cannot reasonably be cured with due diligence within thirty (30) days, then the City shall continue to diligently pursue a cure within sixty (60) days of receiving notice).

(d) Appropriations Failure. Provided that the SPV is not in Material Breach under this Contract and a Termination Event has not otherwise taken place, if (i) the City fails to appropriate monies for deposit into the Social Impact Fund for any Fiscal Year in the amount needed to maintain the fund balances described in Section 4.05(c) hereof by December 15th of the immediately preceding Fiscal Year, then the SPV may terminate this Contract; provided, however, that if the City notifies the SPV in writing on or before the fifth Business Day

following December 15 that it intends to request that such amount be appropriated by January 20 of the Fiscal Year in question, the SPV may not terminate this Contract unless the amount is not appropriated by such January 20. Such termination is made pursuant to and in accordance with the terms of this Contract, and any such appropriations failure shall not be considered to be a breach or default on the part of the City, and, except as otherwise set forth herein, shall not result in the City having liability to the SPV or any third party for any penalty, liability, or other expense.

(e) Failure Under the Loan Documents. A failure to fund or an “event of default” by any Lender under the terms of the Loan Documents, after the expiration of any applicable notice and cure provisions, including the failure of the Lenders to fund on behalf of any other Lender under the terms of the Loan Documents. The SPV shall determine, in its sole discretion, whether an event of default or any such failure to fund takes place under the Loan Documents.

Section 8.04 Termination by Either Party of the Contract. Either Party may, but is not required to, terminate this Contract by delivery of written notice to the other Party under the following circumstances (each, a “**Termination Event**”), subject to Lender Consent pursuant to Section 8.06 hereof:

(a) Force Majeure. Upon the occurrence of any event which is outside the reasonable control of the Party concerned and is not attributable to any act or failure to take preventative action by that Party, including acts of God or any other disaster, natural or man-made, acts of terrorism or similar cause beyond the reasonable control of the Party affected thereby, fluctuations in market forces (including labor markets) and union strikes, and political developments which prevent the Parties’, Governance Committee’s or Independent Evaluator’s access to data or State or federal funding, or any event which prevents a Party from performing its material obligations under this Contract for a period in excess of three (3) months.

(b) Independent Evaluator Withdrawal or Termination. The voluntary withdrawal by the Independent Evaluator under the Independent Evaluator Agreement or the termination of the Independent Evaluator as a result of the Independent Evaluator’s uncured default under such agreement, and either (i) the City has not provided written notice to the SPV within fifteen (15) days after the voluntary withdrawal or termination of the Independent Evaluator that the City intends to seek a replacement independent evaluator, or (ii) within forty-five (45) days after the voluntary withdrawal or termination of the Independent Evaluator, a replacement independent evaluator has not received the Approval of the Governance Committee.

(c) Service Provider Withdrawal or Termination. The voluntary withdrawal by one or both of the Service Providers under a Service Agreement or the termination of a Service Provider as a result of the Service Provider’s uncured default under such agreement, and either (i) the SPV has not provided written notice to the City within fifteen (15) days after the voluntary withdrawal or termination of a Service Provider that the SPV intends to seek a replacement service provider, or (ii) within forty-five (45) days after the voluntary withdrawal or termination of a Service Provider, a replacement service provider has not received the Approval of the Governance Committee.

(d) Project Manager Withdrawal or Termination. The voluntary withdrawal by the Project Manager under the Project Management Agreement or the termination of the Project Manager as a result of the Project Manager's uncured default under such agreement, and either (i) the SPV has not provided written notice to the City within fifteen (15) days after the voluntary withdrawal or termination of the Project Manager that the SPV intends to seek a replacement project manager, or (ii) within forty-five (45) days after the voluntary withdrawal or termination of the Project Manager, a replacement project manager has not received the Approval of the Governance Committee.

(e) Fiscal Agent Withdrawal or Termination. The voluntary withdrawal by the Fiscal Agent under the Fiscal Agent Agreement or the termination of the Fiscal Agent as a result of the Fiscal Agent's uncured default under such agreement, and either (i) the SPV has not provided written notice to the City within fifteen (15) days after the voluntary withdrawal or termination of the Fiscal Agent that the SPV intends to seek a replacement fiscal agent, or (ii) within forty-five (45) days after the voluntary withdrawal or termination of the Fiscal Agent, a replacement fiscal agent has not received the Approval of the Governance Committee.

(f) Deficiency in Participant Referrals. There is a deficiency in Participant referrals in any month in accordance with the schedule set forth in Table B of the Evaluation Plan, "**Minimum Treatment Randomization Timeline**", and either (i) the Operating Committee has not proposed a plan of correction to remedy such deficiency within 30 Days after the end of such month, or (ii) such plan proposed by the Operating Committee has not received the Approval of the Governance Committee within 30 Days after the end of such month.

(g) Deficiency in Lease-Up of Housing Units. There is a deficiency in the lease-up of housing units in any Quarter in accordance with the schedule set forth in Exhibit G, "Unit Lease-Up Schedule", due to a lack of availability of vacant scattered site units and such lack of availability is not due to the Material Breach of the SPV or a default by any Service Provider under the Service Agreements, and either (i) the Operating Committee has not proposed a plan of correction to remedy such deficiency within 30 days after the end of such Quarter, or (ii) such plan proposed by the Operating Committee has not received the Approval of the Governance Committee within 30 days after the end of such Quarter.

(h) Unavailability of New Units. Unless caused by a Force Majeure event, a (i) abandonment of construction of approximately 60 units of housing within the City (the "**New Units**") for a period of thirty (30) days; (ii) a material failure to adhere to the construction schedule contemplated in connection therewith; or (iii) a delay in construction of the New Units such that construction completion for the New Units is not, or in the reasonable judgment of the Governance Committee will not be, achieved on or before July 31, 2017.

(i) Revocation of Housing Subsidies Previously Awarded. The revocation of all or any portion of the 160 project-based housing subsidies previously awarded or committed to the Project that cannot be replaced within thirty (30) days of any such revocation.

(j) Changes to Medicaid Payments. Any changes to (i) the Colorado Medicaid plan, (ii) the relationship between the Colorado Department of Health Care Policy and Financing and Colorado Access, or (iii) the ability of CCH to access additional Medicaid

resources by March 31, 2018; such that, in each case, any Service Provider cannot access the Medicaid resources assumed in the Project Budget attached hereto as Exhibit C, and such changes cannot be addressed within ninety (90) days to allow such Service Provider to access the requisite Medicaid resources.

(k) Expansion of City programs that create overwhelming impact on Jail Days among the Target Population.

(l) Failure of the Independent Evaluator to perform its obligations under the Independent Evaluator Agreement.

(m) (i) A cumulative housing stability rate of less than 50% three years after the Project Start Date, as confirmed by the Independent Evaluator and (ii) the Independent Evaluator has not provided significant evidence that housing stability rates will increase. (For this purpose “housing stability rate” is the percentage of Participants who are housed for 365 Days in Stable Housing).

Section 8.05 Automatic Termination Events of the Contract. This Contract shall terminate in the event that any of the following occur (each, a “**Termination Event**”), subject to Lender Consent pursuant to Section 8.06 hereof:

(a) SPV Bankruptcy. The SPV files a petition in bankruptcy or insolvency.

(b) Mutual Consent. The City and the SPV mutually consent in writing to terminate this Contract.

(c) Failure to Satisfy Project Launch Conditions. The Parties do not agree in writing that the Project Launch Conditions have been satisfied on or before July 31, 2016.

Section 8.06 Effect of Termination of the Contract.

(a) If a Termination Event occurs that permits the SPV to terminate this Contract at the SPV’s option or with the agreement of the City, the SPV shall notify the Lenders of such Termination Event and whether or not the SPV desires to terminate this Contract. The SPV shall not terminate this Contract without Lender Consent. If the SPV has notified the Lenders that the SPV desires to terminate this Contract at its option or with the agreement of the City, as applicable, and Lender Consent is not obtained within ten Business days after Lenders receive such notice of the Termination Event, the SPV may, by notice to the Lenders and the City, withdraw from the Project (an “SPV Elective Withdrawal”), effective 90 days after the delivery of the notice (or on such earlier date as the Lenders may approve by Lender Consent).

(b) The Lenders shall have a period of 60 days following the SPV’s delivery of notice of an SPV Elective Withdrawal, to propose a workout by which the Project may continue either by replacing the SPV as a party to this Contract or by transferring the member interests in the SPV to one or more third parties.

(c) If the City consents to the proposed workout (which consent shall not be unreasonably withheld) and, in the case of a proposed workout in which the member interests in

the SPV will be transferred to one or more third parties, the SPV consents to the transfer of the member interests, the City, the SPV and the Lenders shall work in good faith to implement the workout and the SPV shall provide such assistance as shall be reasonably requested, including without limitation:

- (i) Preserving all records relating to the Project and, upon the request of the Lenders, turning such records over to such successor(s) as may be reasonably requested.
- (ii) Making personnel of the SPV available to such successor(s) as may be reasonably requested, at such times and with such frequency as may be reasonably requested.
- (iii) Turnover of all remaining funds, and an accounting of all previously-expended funds.

(d) In connection with any such workout, the successor to the SPV or the transferees of the member interests shall assume all obligations of the SPV or the transferors of the member interests arising on and after the effective date of the substitution or transfer of interests (but not those arising before the effective date) and shall enter into an assignment agreement with the SPV or the transferors, in form and substance satisfactory to the SPV or the transferors, in which the successor or transferees assume the obligations and succeed to the rights of the SPV or the transferors and hold the SPV or the transferors harmless against any obligations with respect to the Project that accrue after the effective date of the substitution or transfer. No pre-transition Event of Default shall be attributed to the successor or transferees but the City may condition the transition on specific actions that the successor or transferees must take in connection with any uncured pre-transition Event of Default.

(e) If a Termination Event occurs that permits the City to terminate this Contract at the City's option, the City shall provide notice of such Termination Event to the Lenders, and the Lenders shall have 60 days from the date they receive such notice to propose a workout by which the Project may continue either by replacing the SPV as a party to the PFS Contract or by transferring the member interests in the SPV to one or more third parties pursuant to the term of Section 8.06(c) and (d).

(f) Notwithstanding any other provision of this Contract, if the City does not agree to a workout proposed by the Lenders, the observation period for computing Success Payments of the City under this Contract shall end on the effective date of the Termination Event or if Housing Stability Success Payments include the three month wind down period after termination as described in Section 4.07(b), the last day of such wind-down period.

(g) If a Termination Event occurs that permits the SPV to terminate this Contract, the Lenders shall have the right, pursuant to the Loan Agreement, to direct the SPV to terminate this Contract.

(h) Upon a Termination Event that results in termination of this Contract, the Parties shall cooperate in winding down the activities contemplated under this Contract. All funds in the SPV Operating Account (excluding funds to be used for Early Housing Stability

Success Payments and Early Jail Day Reductions Success Payments due to Lenders) shall be applied to make the following payments in the following order of priority. In the event there are insufficient funds in the SPV Operating Account to pay all amounts required below, the SPV shall disburse the existing funds pro rata among the payees owed in each priority level, based on the amounts otherwise payable to each payee in each level:

1. First, all amounts necessary, in accordance with the Project Budget, to deliver services for the three months immediately following termination of this Contract shall be paid to the Service Providers (taking into account amounts already disbursed prior to termination of the Contract).

2. Second, all payments scheduled in the Project Budget to have been paid to the Project Manager, the Fiscal Agent, the Validator or other third parties in connection with the Project, up to the date of termination of this Contract, shall be paid.

3. Third, all payments for services essential to complete the wind-down of the Project, in accordance with the Project Budget and as approved with Lender Consent, shall be paid to the Project Manager, the Fiscal Agent or other third parties in connection with the Project.

4. Finally, any cash remaining in the SPV Operating Account after satisfaction of subsections (1), (2) and (3), above, shall be paid to the Lenders pro rata based upon the amounts funded by each Lender.

- (i) All Early Housing Stability Success Payments owed in accordance with Section 4.07 of this Contract shall be paid to the Housing Stability Lenders pursuant to the Loan Agreement, and all Early Jail Day Reductions Success Payments owed in accordance with Section 4.08 of this Contract shall be paid to Jail Day Reductions Lenders pursuant to the Loan Agreement.

- (j) Except as otherwise set forth in Sections 9.09 and 9.19, after such time the SPV disburses all funds from the SPV Operating Account, the Contract shall be of no further force and effect, and the Parties shall have no liability in connection therewith.

Section 8.07 Enforcement of Rights. In the event the SPV misappropriates funds hereunder or commits fraud with respect to the handling of funds in its custody, the City may proceed to protect its rights hereunder and may exercise any other right or remedy upon such default as may be granted under any other applicable provisions of law. The City's sole remedy against the SPV under this Contract, in the absence of a misappropriation of funds or the SPV's commission of fraud, is to terminate this Contract. Notwithstanding anything in this Contract to the contrary, the City shall not have recourse to any assets of the SPV outside of the SPV Operating Account except to the extent of misappropriation of funds or fraud in handling the funds entrusted to its custody.

Section 8.08 Limited Recourse of the City Against the SPV. Notwithstanding anything in this Contract to the contrary, the SPV shall be liable under this Contract solely for the SPV's misappropriation of funds under this Contract or commission of fraud with respect to the

handling of funds in its custody. The SPV may rely on the genuineness of all signatures on all documents delivered to the SPV. The SPV's obligations under this Contract do not benefit from any recourse whatsoever to any member, manager, director, or officer of the SPV. Absent a misappropriation of funds or commission of fraud by the SPV, the City shall have access only to the funds within the SPV Operating Account, subject to the rights and claims of third parties. The City's sole remedy against the SPV under this Contract, in the absence of a misappropriation of funds or the SPV's commission of fraud in the handling of funds in its custody, is to terminate this Contract in accordance with Section 8.02 hereof. In the event the SPV is found to have misappropriated funds under this Contract, the SPV's monetary liability shall be limited to the amount that is determined to have been so misappropriated. The SPV will be obligated to repay any such misappropriated funds.

Section 8.09 Cure. For purposes of this Article 8 and this Contract generally, "cure" means, with respect to a particular set of facts and circumstances constituting a Termination Event, that a Party has taken actions such that there is no longer a Termination Event, including by implementing or modifying appropriate procedures.

Section 8.10 No Obligation to Compel. Notwithstanding anything in this Contract to the contrary, neither the SPV nor the City shall have an obligation under this Contract to compel compliance by the other Party on behalf of any other party, including, without limitation, any Lender, nor shall the SPV or the City have any obligation to file any suit in equity or at law on behalf of any other party.

ARTICLE 9

AMENDMENT; MISCELLANEOUS

Section 9.01 Amendment. This Contract may be amended by the Parties for any reason in writing, including, but, not limited to substitution of one or more of the exhibits hereto, or to extend the term of this Contract with Lender Consent.

Section 9.02 Successors and Assigns. The SPV shall not assign its rights, duties and obligations under this Contract, except to the Lenders if an Event of Default has occurred pursuant to a collateral assignment of contract and contract rights from SPV to the Lenders, without the consent of the City and Lender Consent. The rights and obligations of the SPV shall inure to and be binding upon its respective successors and assigns.

Section 9.03 Notices. Any request, authorization, direction, notice, consent, waiver or other document provided by this Contract shall be in writing and shall be deemed sufficiently given, except as otherwise provided in this Contract, when emailed, mailed by registered or certified mail, postage prepaid, sent by reputable overnight courier, subject to recognition or delivered during business hours to the addresses as follows.

To the City at:	Department of Finance City and County of Denver 201 W. Colfax Avenue, Dept. 1010 Denver, CO 80202 Attention: Chief Financial Officer
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Email: Brendan.Hanlon@denvergov.org

With a copy to: City Attorney
City and County of Denver
1437 Bannock St., Room 353
Denver, CO 80202
Email: jennifer.welborn@denvergov.org

To SPV at: c/o CSH
61 Broadway, Suite 2300
New York, NY 10006
Attention: Chief Financial Officer
Email: david.provost@csh.org

With a copy to: CSH
2801 21st Avenue South, Suite #230
Minneapolis, MN 55410
Attention: Andy McMahon, Managing Director
Government Affairs & Innovations
Email: andy.mcmahon@csh.org

And to: CSH
205 W. Randolph, 23rd Floor
Chicago, IL 60606
Attention: Stephanie H. Mercier, Senior Program Manager
Email: stephanie.mercier@csh.org

With a copy to: Enterprise Community Partners, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, MD 21044
Attention: Mary Jo Barranco, Vice President
Email: mbarranco@enterprisecommunity.org

And to: Enterprise Community Partners, Inc.
110 16th Street, Suite 760
Denver, CO 80202
Attention: Melinda Pollack, Vice President
Email: mpollack@enterprisecommunity.org

And to: Enterprise Community Partners, Inc.
One Whitehall Street, 11th Floor
New York, NY 10004
Attention: Gail Bayarin, Senior Attorney
Email: gbayarin@enterprisecommunity.org

As to all of the foregoing, to such other address as the addressee shall have given in

writing to the one giving notice. Notice hereunder may be waived prospectively or retroactively by the Person entitled to the notice, but no waiver shall affect any notice requirement as to other Persons.

Section 9.04 Agreement Not for the Benefit of Other Parties.

(a) Except as set forth in clause (b) of this Section 9.04, this Contract is not intended for the benefit of and shall not be construed to create rights in parties other than the City and the SPV.

(b) The City acknowledges that the SPV may collaterally assign its right under this Contract to the Lenders in accordance with a collateral assignment that may be executed subsequent to the date hereinabove (together with their successors and assigns, the “Assignees”) as collateral for the obligations of the SPV to the Assignees, and the City hereby consents to such collateral assignment. Each Assignee shall be a third party beneficiary of the payment provisions of this Contract and shall be entitled to enforce the payment provisions hereof.

Section 9.05 Severability. In case any provision of this Contract shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, provided that the allocation of benefits and burdens under this Contract shall not thereby be materially altered.

Section 9.06 Counterparts. This Contract may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

Section 9.07 Captions. The captions and table of contents of this Contract are for convenience only and shall not affect the construction hereof.

Section 9.08 Governing Law. All issues concerning this Contract shall be governed by and construed in accordance with the laws of the State without giving effect to any choice of law or conflict of law provision or rule (whether of the State or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State.

Section 9.09 Indemnification.

(a) The SPV agrees to defend, indemnify, reimburse and hold harmless the City, its appointed and elected officials, agents and employees for, from and against all third party liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, or resulting from the SPV’s actions in connection with this Contract or the SPV’s Material Breach (“**Claims**”), except to the extent such Claims arise out of the negligence or willful misconduct of the City.

(b) The SPV’s duty to defend and indemnify the City shall arise at the time written notice of the Claim is first provided to the City. The City shall provide notice of such Claim to the SPV.

(c) The SPV shall defend any and all Claims which may be brought or threatened against the City and shall pay on behalf of the City any expenses incurred by reason of such Claims including, but not limited to, court costs and reasonable attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of the City will be in addition to any other legal remedies available to the City and will not be the City's exclusive remedy.

(d) Insurance coverage requirements specified in this Contract in no way lessen or limit the liability of the SPV under the terms of this indemnification obligation. The SPV is responsible to obtain, at its own expense, any additional insurance that it deems necessary for the City's protection. To the extent practicable, the Parties will seek recourse through insurance proceeds.

(e) This defense and indemnification obligation shall survive the expiration or termination of this Contract.

(f) Notwithstanding anything in this Contract to the contrary, the SPV's liability under this Section 9.09 is limited to the SPV's assets, except to the extent the SPV misappropriates funds under this Contract, in which case the SPV's monetary liability shall be limited to the amount that is determined to have been so misappropriated.

Section 9.10 Extension. Any extensions of this Contract must be approved by the Parties, with Lender Consent.

Section 9.11 Merger; Entire Agreement. The Parties understand and agree that their entire agreement is contained herein and in the documents, exhibits, schedules and plans referenced herein, attached hereto or entered into pursuant hereto. It is further understood and agreed that all prior understandings and agreements heretofore had between the Parties are merged in this Contract which alone fully and completely expresses their agreement and that the same is entered into after full investigation, neither Party relying on any statement or representation not explicitly set forth in this Contract.

Section 9.12 Conflicts. In the event any provision of this Contract conflicts with a right or obligation of the City or the SPV, as applicable, in any other related agreement (i.e. the Independent Evaluator Agreement, the Service Agreements, the Fiscal Agent Agreement, the Project Manager Agreement, or the Loan Documents), this Contract shall control the rights and obligations as between the City and the SPV.

Section 9.13 Insurance. The SPV, on behalf of the Project Manager and the Fiscal Agent, shall, no later than the Effective Date, procure, maintain, and pay premiums for the following forms of insurance:

(a) General Conditions. The SPV agrees to secure, at or before the Effective Date when its obligations under this Section 9.13 shall commence, the following insurance covering all operations, goods or services provided pursuant to this Contract. The SPV shall keep the required insurance coverage in force at all times during the term of the Contract, or any extension thereof, during any warranty period, and for three (3) years after termination of the

Contract. The required insurance shall be underwritten by an insurer licensed or authorized to do business in Colorado and rated by A.M. Best Company as "A-"VIII or better. Each policy shall contain a valid provision or endorsement requiring notification to the City in the event any of the above-described policies be canceled or non-renewed before the expiration date thereof. Such written notice shall be sent to the parties identified in the Notices section of this Contract. Such notice shall reference the City contract number listed on the signature page of this Contract. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior. If such written notice is unavailable from the insurer, the SPV shall provide written notice of cancellation, non-renewal and any reduction in coverage to the parties identified in Section 9.03 of this Contract by overnight courier or certified mail, return receipt requested within five (5) Business Days of such notice by its insurer(s) and referencing the City's contract number. If any policy is in excess of a deductible or self-insured retention, the City must be notified by the SPV. The SPV shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Contract are the minimum requirements, and these requirements do not lessen or limit the liability of the SPV. The SPV shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Contract.

(b) Proof of Insurance. The SPV shall provide a copy of this Contract to its insurance agent or broker. The SPV may not commence services or work relating to the Contract prior to placement of coverages required under this Contract. The SPV certifies that upon the Effective Date, it will furnish the City with a certificate of insurance, preferably an ACORD certificate that complies with all insurance requirements of this Contract. The City requests that the City's contract number be referenced on the Certificate. The City's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Contract shall not act as a waiver of SPV's breach of this Contract or of any of the City's rights or remedies under this Contract. The City's Risk Management Office may require additional proof of the insurance required by this Contract, including but not limited to policies and endorsements.

(c) Additional Insureds. For Commercial General Liability, Auto Liability Professional Liability, and Excess Liability/Umbrella (if required) the SPV and subcontractor's insurer(s) shall include the City and County of Denver, its elected and appointed officials, employees and volunteers as additional insured.

(d) Waiver of Subrogation. For all coverages required under this Contract, the SPV's insurer shall waive subrogation rights against the City.

(e) Subcontractors and Subconsultants. All subcontractors and subconsultants (including independent contractors, suppliers or other entities providing goods or services required by this Contract) shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of the SPV. The SPV shall ensure that all such subcontractors and subconsultants maintain the required coverages. The SPV agrees to provide proof of insurance for all such subcontractors and subconsultants upon request by the City.

(f) Workers Compensation.

- (i) SPV hereby makes the material warranties listed below in subparagraph (a) on which the City relies in conditionally waiving the workers' compensation/employer's liability insurance. This rejection of coverage must remain effective throughout the Project Term. Should the rejection of coverage no longer be in effect, SPV shall immediately notify the City. Further, upon the effective date of the rejection, SPV shall provide the city with proof of workers' compensation/employer's liability insurance. Before commencing services under the Agreement, SPV shall provide the City with documentation that rejection was effected in accordance with § 8-41-202(1), C.R.S. Based on the following warranties and upon receipt of documentation of rejection in accordance with the law, the City conditionally waives the requirement that SPV obtain workers' compensation/employer's liability insurance.
- (ii) SPV does not have any employees and will not employ any persons to perform services under the Agreement. SPV's sole members are Enterprise Community Partners, Inc. and Corporation for Supportive Housing. Should any other persons become members, such persons may not perform services under the Agreement. In its capacity as Project Manager, Corporation for Supportive Housing effected rejection of coverages in accordance with § 8-41-202, C.R.S.
- (iii) Subject to the conditional waiver above, SPV shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 for each bodily injury occurrence claim, \$100,000 for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims. SPV warrants that none of the SPV's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect a rejection thereof during the Project Term and that any rejections previously effected have been revoked as of the date SPV executes the Agreement.

(g) Commercial General Liability. The SPV shall maintain a Commercial General Liability insurance policy with limits of \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate.

(h) Business Automobile Liability. The SPV shall maintain Business Automobile Liability with limits of \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Contract.

(i) Professional Liability (Errors & Omissions). The SPV shall maintain limits of \$1,000,000 per claim and \$1,000,000 policy aggregate limit. Policy shall include a

severability of interest or separation of insured provision (no insured vs. insured exclusion) and a provision that coverage is primary and non-contributory with any other coverage or self-insurance maintained by the City.

(j) Additional Provisions.

(i) For Commercial General Liability, the policy must provide the following:

(a) That this Contract is an Insured Contract under the policy;

(b) Defense costs are outside the limits of liability;

(c) A severability of interests, separation of insureds provision (no insured vs. insured exclusion); and

(d) A provision that coverage is primary and non-contributory with other coverage or self-insurance maintained by the City.

(ii) For claims-made coverage:

(a) The retroactive date must be on or before the contract date or the first date when any goods or services were provided to the City, whichever is earlier.

(b) The SPV shall advise the City in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the SPV will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

Section 9.14 Examination of Records. Any authorized agent of the City, including the City Auditor or his or her representative, has the right to access and the right to examine any pertinent books, documents, papers and records of the SPV, involving transactions related to the Contract until the latter of three (3) years after the final payment under the Contract or expiration of the applicable statute of limitations.

Section 9.15 No Authority To Bind City to Contracts. The SPV lacks any authority to bind the City on any contractual matters. Final approval of all contractual matters that purport to obligate the City must be executed by the City in accordance with the City's Charter and the Denver Revised Municipal Code.

Section 9.16 No Discrimination In Employment. In connection with the performance of work under the Contract, the SPV may not refuse to hire, discharge, promote or demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender

variance, marital status, or physical or mental disability. The SPV shall insert the foregoing provision in all subcontracts.

Section 9.17 City Execution of Contract. The Contract will not be effective or binding on the City until it has been fully executed by all required signatories of the City and County of Denver, and if required by Charter, approved by the City Council.

Section 9.18 No Employment of Illegal Aliens to Perform Work Under The Contract.

(a) This Contract is subject to Division 5 of Article IV of Chapter 20 of the Denver Revised Municipal Code, and any amendments (the “**Certification Ordinance**”).

(b) The SPV certifies that:

- (i) At the time of its execution of this Contract, it does not knowingly employ or contract with an illegal alien who will perform work under this Contract.
- (ii) It will participate in the E-Verify Program, as defined in § 8-17.5-101(3.7), C.R.S., to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

(c) The SPV also agrees and represents that:

- (i) It shall not knowingly employ or contract with an illegal alien to perform work under the Contract.
- (ii) It shall not enter into a contract with a subconsultant or subcontractor that fails to certify to the SPV that it shall not knowingly employ or contract with an illegal alien to perform work under the Contract.
- (iii) It has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Contract, through participation in the E-Verify Program.
- (iv) It is prohibited from using the E-Verify Program procedures to undertake pre-employment screening of job applicants while performing its obligations under the Contract, and it is required to comply with any and all federal requirements related to use of the E-Verify Program including, by way of example, all program requirements related to employee notification and preservation of employee rights.
- (v) If it obtains actual knowledge that a subconsultant or subcontractor performing work under the Contract knowingly employs or contracts with an illegal alien, it will notify such

subconsultant or subcontractor and the City within three (3) days. The SPV shall also terminate such subconsultant or subcontractor if within three (3) days after such notice the subconsultant or subcontractor does not stop employing or contracting with the illegal alien, unless during such three-day period the subconsultant or subcontractor provides information to establish that the subconsultant or subcontractor has not knowingly employed or contracted with an illegal alien.

- (vi) It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S., or the City Auditor, under authority of D.R.M.C. 20-90.3.

(d) The SPV is liable for any violations as provided in the Certification Ordinance. If the SPV violates any provision of this section or the Certification Ordinance, the City may terminate this Contract for a breach of the Contract. If the Contract is so terminated, the SPV shall be liable for actual damages to the City. Any such termination of a contract due to a violation of this section or the Certification Ordinance may also, at the discretion of the City, constitute grounds for disqualifying the SPV from submitting bids or proposals for future contracts with the City.

Section 9.19 Confidential Information.

(a) City Information.

(i) The SPV acknowledges and accepts that, in performance of all work under the terms of this Contract, the SPV may have access to Data that may be owned or controlled by the City. The SPV agrees that all Data provided or otherwise disclosed by the City to SPV shall be held in confidence and used only in the performance of its obligations under this Contract. The SPV shall exercise the same standard of care to protect such Data as a reasonably prudent consultant would to protect its own proprietary or confidential data. "Data" shall mean any materials or information provided or made available to the SPV by the City; provided, however, that Data shall not include materials or information that (i) was already in the SPV's possession prior to receipt from the City, (ii) is or becomes publicly available other than as a result of a disclosure by the SPV or its representatives in violation of this Contract, (iii) is or becomes available to the SPV on a non-confidential basis from a source (other than the City or its representatives) which, to the best of the SPV's knowledge after due inquiry, is not prohibited from disclosing such information to the SPV by a legal, contractual or fiduciary obligation to the City, (iv) is independently developed by the SPV or its representatives without reference to or use of other elements of the information, or (v) is generally made available by the City to third parties without restriction. Such Data may be in hardcopy, printed, digital or electronic format.

(ii) In the event that SPV or any of its representatives is requested or required (by interrogatory, request for information or documents, subpoena, deposition, civil investigative demand or other process) to disclose any Data (collectively, the “Requested Disclosure”), it is agreed that SPV will provide the City with prompt notice of the Requested Disclosure, if SPV’s counsel determines that such notice is permitted by law, so that the City may seek an appropriate protective order or waive compliance with the provisions of this letter agreement. Failing the entry of a protective order or the receipt of a waiver hereunder prior to any deadline imposed on SPV or its representative(s) in order to comply with a Requested Disclosure, SPV may make the Requested Disclosure as requested or required. In any event, SPV will not oppose action by the City to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Data. Notwithstanding the limitations in this paragraph, in the event that access to or delivery of Data is requested or required of SPV by any governmental regulatory, self-regulatory or supervisory authority having appropriate jurisdiction in connection with any investigation or audit or information-seeking exercise, the SPV will give to the City, to the extent practicable and if lawfully permitted to do so, prompt written notice of such request or requirement, but may comply with such request or requirement.

(b) Employees and Subcontractors. The SPV will inform its employees and officers of the obligations under this Contract, and all requirements and obligations of the SPV under this Contract shall survive the expiration or earlier termination of this Contract. The SPV shall not disclose Proprietary Data or confidential information to subcontractors unless such subcontractors are bound by non-disclosure and confidentiality provisions at least as strict as those contained in this Contract.

Section 9.20 Advertising and Public Disclosure. The SPV and the City agree to use reasonable best efforts to coordinate and inform each other of publicity efforts and expect to develop a publicity protocol to be followed by all parties involved in the Project.

Section 9.21 Compliance With All Laws. The SPV shall perform or cause to be performed all services in full compliance with all applicable laws, rules, regulations and codes of the United States, the State of Colorado; and with the Charter, ordinances, rules, regulations and Executive Orders of the City and County of Denver.

Section 9.22 No Construction Against Drafting Party. The Parties and their respective counsel have had the opportunity to review the Contract, and the Contract will not be construed against any party merely because any provisions of the Contract were prepared by a particular Party.

Section 9.23 Electronic Signatures and Electronic Records. The SPV consents to the use of electronic signatures by the City. The Contract, and any other documents requiring a signature under the Contract, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of the Contract solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Contract in the form of an electronic record,

or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

Section 9.24 Harvard SIB Lab. The parties to this Contract acknowledge that the Harvard Kennedy School Social Impact Bond Technical Assistance Lab (“Harvard SIB Lab”) is providing technical assistance to the City in connection with the Project and that the services provided by the Harvard SIB Lab involve the expression of professional ideas, judgments and opinions by members of the Harvard SIB Lab. The parties further acknowledge that it is the parties’ interest to have such ideas, judgments and opinions expressed frankly, without concern on the part of the Harvard SIB Lab that such ideas, judgments and opinions will be deemed representations, warranties or covenants upon which the parties may claim reliance. The parties further acknowledge that the innovation initiatives are relatively new, little-used and little-studied tools. Accordingly, the parties understand and agree that Harvard SIB Lab does not, and will not hereafter, warrant or make any representations concerning the accuracy of ideas, judgments, opinions, or make any representations concerning the accuracy of ideas, judgments, opinions, projections, analyses or estimates which any member of the Harvard SIB Lab provides to the parties under this Contract, (collectively, “Harvard SIB Work Product”). The parties further agree that (i) any decision the parties may make to rely on any Harvard SIB Work Project shall be at their own risk; and (ii) no member of the Harvard SIB Lab shall be liable to the parties for, and the parties shall not make any claim against any member of the Harvard SIB Lab relating to, any claims, liabilities, losses, damages, costs or expenses of any kind which the parties may any time sustain or incur in connection with or arising out of any Harvard SIB Work Product or the parties’ reliance thereon or use thereof, other than claims, liabilities, losses, damages, costs and expenses resulting from the gross negligence or intentional misconduct of any member of the Harvard SIB Lab. Without limiting the foregoing, in no event shall any member of Harvard SIB Lab be liable for any indirect, consequential, exemplary or punitive damages whatsoever in connection with claims arising under or relating to this Contract, whether based upon a claim or action of contract, warranty, negligence, strict liability, or any other legal theory or cause of action, even if advised of the possibility of such damages. The parties agree that the Harvard SIB is an intended third party beneficiary of this Section.

Section 9.25 Social Impact Solutions. The parties to this Contract acknowledge that Social Impact Solutions, LLC (“SIS”) is providing technical assistance to the City and the development team in connection with the Project and that the services provided by SIS involve the expression of professional ideas, judgments and opinions by members of the SIS. The parties further acknowledge that it is the parties’ interest to have such ideas, judgments and opinions expressed frankly, without concern on the part of the SIS that such ideas, judgments and opinions will be deemed representations, warranties or covenants upon which the parties may claim reliance. The parties further acknowledge that the innovation initiatives are relatively new, little-used and little-studied tools. Accordingly, the parties understand and agree that SIS does not, and will not hereafter, warrant or make any representations concerning the accuracy of ideas, judgments, opinions, or make any representations concerning the accuracy of ideas, judgments, opinions, projections, analyses or estimates which any member of SIS provides to the parties under this Contract, (collectively, “SIS Work Product”). The foregoing, however, shall not constitute a waiver of SIS’ implied representations and covenants that it has furnished the SIS Work Product for which it is responsible in a professional and workmanlike manner, in a

timely fashion and with a reasonable standard of care. The parties further agree that (i) any decision the parties may make to rely on any SIS Work Project shall be at their own risk; and (ii) no member of the SIS shall be liable to the parties for, and the parties shall not make any claim against any member of the SIS relating to, any claims, liabilities, losses, damages, costs or expenses of any kind which the parties may any time sustain or incur in connection with or arising out of any SIS Work Product or the parties' reliance thereon or use thereof, other than claims, liabilities, losses, damages, costs and expenses resulting from the gross negligence or intentional misconduct of any member of the SIS. Without limiting the foregoing, except in the event of SIS' gross negligence, willful misconduct or breach of confidentiality obligations to which it is subject, in no event shall any member of SIS be liable for any indirect, consequential, exemplary or punitive damages whatsoever in connection with claims arising under or relating to this Contract, whether based upon a claim or action of contract, warranty, negligence, strict liability, or any other legal theory or cause of action, even if advised of the possibility of such damages. The parties agree that the SIS is an intended third party beneficiary of this Section.

[Signatures on the Following Page]

EXHIBIT A

DEFINITIONS

“Approval of the Governance Committee” has the meaning set forth in Section 5.02(b) hereof.

“Assignees” has the meaning set forth in Section 9.04(b) hereof.

“Average Jail Day” shall have the meaning set forth in the Evaluation Plan.

“Business Day” means any day other than a Saturday, Sunday, or other day on which the bank that hosts the SPV Operating Account is authorized or required by law to remain closed.

“CCH” means the Colorado Coalition for the Homeless.

“CCH Program” means the services to be provided by CCH in accordance with this Contract and the Service Agreement, as more particularly described in Section 2.02 hereof and Exhibit D-4.

“Certification Ordinance” has the meaning set forth in Section 9.18 hereof.

“Charter” means the home rule charter of the City.

“Chief Financial Officer” means the Chief Financial Officer of the City, as the Manager of Finance ex-officio Treasurer, of the City duly appointed pursuant to the Charter or the designee of the Chief Financial Officer.

“Claims” has the meaning set forth in Section 9.09(a) hereof.

“City” means the City and County of Denver, Colorado.

“Contract” means this Social Impact Bond Contract between the City and the SPV, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Control Group” has the meaning set forth in Section 2.03(b) hereof.

“Control Group Number of Average Jail Days” has the meaning set forth in Section 4.03(c) hereof.

“Council” means the Council of the City and County of Denver.

“CSH” means the Corporation for Supportive Housing, a Delaware not-for-profit corporation.

“Days in Stable Housing” has the meaning set forth in Section 4.02(b) hereof.

“Early Housing Stability Success Payments” has the meaning set forth in Section 4.07 hereof.

“Early Jail Day Reductions Success Payments” has the meaning set forth in Section 4.08 hereof.

“Early Exit Event” has the meaning set forth in Section 4.02(c) hereof.

“Effective Date” has the meaning set forth in Section 1.02 hereof.

“Eligibility Criteria” has the meaning set forth in Section 2.03(b) hereof.

“Eligible Referrals” has the meaning set forth in Section 2.03(b) hereof.

“Enterprise” means Enterprise Community Partners, Inc., a Maryland nonstock, nonprofit corporation.

“Evaluation Plan” means the plan attached as Exhibit B as it may be amended in accordance with Section 2.05.

“Execution Date” has the meaning set forth in the Preamble.

“Final Wind Up Jail Days Outcomes Report” has the meaning set forth in Section 4.03(d) hereof.

“Fiscal Agent” has the meaning set forth in the sixth Recital, or any successor thereto.

“Fiscal Agent Agreement” means the agreement between the SPV and the Fiscal Agent which requires the Fiscal Agent to perform the scope of work substantially as set forth in Exhibit D-3 hereof, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Fiscal Year” means the period of time starting on January 1 and ending on December 31 of each year, or such other time period as may be identified as a “Fiscal Year” by the City’s Charter.

“Governance Committee” has the meaning set forth in Section 5.02(a) hereof.

“Housing Stability Lender Consent” has the meaning set forth in Section 5.09 hereof.

“Housing Stability Lenders” means The Denver Foundation, The Piton Foundation and The Northern Trust Company, and their successors and assigns permitted under the Loan Agreements.

“Housing Stability Success Payments” has the meaning set forth in Section 4.02 hereof.

“Independent Evaluator” means the Urban Institute, or any successor thereto.

“Independent Evaluator Agreement” means the agreement between the City and the Independent Evaluator which requires the Independent Evaluator to perform the scope of work substantially as set forth in Exhibit D-1 hereof, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Jail Day Reductions Lender Consent” has the meaning set forth in Section 5.09 hereof.

“Jail Days Reductions Lenders” means Laura and John Arnold Foundation, The Colorado Health Foundation, Living Cities Blended Catalyst Fund LLC, Nonprofit Finance Fund, and The Ben and Lucy Ana Walton Fund at the Walton Family Foundation, Inc., together with their successors and assigns permitted under the Loan Agreements.

“Jail Day Reductions Success Payments” has the meaning set forth in Section 4.03 hereof.

“Lender Consent” has the meaning set forth in Section 5.09 hereof.

“Loan” or **“Loans”** means funds provided to the SPV under a Loan Agreement.

“Loan Agreements” means, collectively, all agreements executed by the SPV and a Lender for funding of the Project, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Loan Documents” means, collectively, the Loan Agreements and all collateral assignments and security agreements related to the Loans.

“Material Breach” means a breach of this Contract (including any exhibits hereto) by a Party that would either (i) reasonably be expected to materially adversely impact payment by the Lenders or the Success Payments, or (ii) be a material violation of applicable law.

“MHCD” means the Mental Health Center of Denver.

“MHCD Program” means the services to be provided by MHCD in accordance with this Contract and the Service Agreement, as more particularly described in Section 2.02 hereof and Exhibit D-5.

“New Units” has the meaning set forth in Section 8.04(h) hereof.

“Operating Committee” has the meaning set forth in Section 5.01 hereof.

“Operational Meetings” has the meaning set forth in Section 5.01(a) hereof.

“Operating Committee Members” has the meaning set forth in Section 5.01(b) hereof.

“Party” means the City or the SPV.

“Participant Meeting Payment Requirement” has the meaning set forth in Section 4.02(a) hereof.

“Participants” has the meaning given in Section 2.03(b) hereof.

“Parties” means, collectively, the City and the SPV.

“Percentage Difference in Average Jail Days” has the meaning given in Section 4.03(a) hereof.

“Project” has the meaning set forth in the second Recital.

“Project Budget” means that budget for the Project set forth in Exhibit C, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Project Launch Conditions” means those conditions set forth in Section 1.02 hereof.

“Project Manager” has the meaning set forth in the fifth Recital, or any successor thereto.

“Project Manager Agreement” means the agreement between the SPV and the Project Manager which requires the Project Manager to perform the scope of work substantially set forth in Exhibit D-2 hereof, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Project Term” has the meaning set forth in Section 1.05(a) hereof.

“Proposed Funding Agreement” has the meaning set forth in Section 3.03 hereof.

“Quarter” has the meaning set forth in Section 1.06 hereof.

“Quarterly Housing Stability Outcomes Report” has the meaning set forth in Section 4.02(d) hereof.

“Service Agreements” means, collectively, (i) an agreement between the SPV and CCH to perform the scope of work set forth in Exhibit D-4 hereof, and (ii) an agreement between the SPV and MHCD to perform the scope of work set forth in Exhibit D-5 hereof, each as may be amended, supplemented, or otherwise modified from time to time in accordance with the terms hereof.

“Service Provider Reports” means those reports prepared by the Service Providers and submitted to the Project Manager pursuant to the terms of the Service Agreements.

“Service Providers” means, collectively, CCH and MHCD.

“Services” means, collectively, the CCH Program and the MHCD Program.

“Social Impact Fund” has the meaning set forth in the first Recital.

“SPV” means Denver PFS, LLC, a Delaware limited liability company.

“SPV Operating Account” has the meaning set forth in Section 3.02 hereof.

“State” means the State of Colorado.

“Success Payments” has the meaning set forth in Section 4.01 hereof.

“Target Population” has the meaning set forth in Section 2.03(a) hereof.

“Termination Event” means any of those events set forth in Section 8.02, Section 8.03, Section 8.04, or Section 8.05 hereof.

“Total Project Costs” has the meaning set forth in Section 3.01 hereof.

“Transaction Documents” means the Contract, the Loan Documents, the Independent Evaluator Agreement, the Project Management Agreement, the Fiscal Agent Agreement and the Service Agreements.

“Treatment Group” means those Participants assigned to the Treatment Group to be considered as part of the evaluation with respect to the Jail Day Reductions Success Payments as set forth in the Evaluation Plan.

“Treatment Group Number of Average Jail Days” has the meaning set forth in Section 4.03(b) hereof.

Contract Control Number: FINAN-201523939-00

Contractor Name: Denver PFS, LLC

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of February 01, 2016.

SEAL



CITY AND COUNTY OF DENVER

ATTEST:

Debra Johnson
Debra Johnson, Clerk and Recorder,
Ex-Officio Clerk of the City and
County of Denver

By Michael B. Hancock
Michael B. Hancock, Mayor

APPROVED AS TO FORM:

D. Scott Martinez, Attorney for the
City and County of Denver

REGISTERED AND COUNTERSIGNED:

By Cary Kennedy
Cary Kennedy, Manager of Finance

By Jennifer Welborn
Jennifer Welborn, Assistant City
Attorney

By Timothy M. O'Brien
Timothy M. O'Brien, Auditor



Contract Control Number: FINAN-201523939-00

Contractor Name: Denver PFS, LLC

By: SEE ATTACHED 2 PAGES FOR VENDOR SIGNATURES

Name: _____
(please print)

Title: _____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

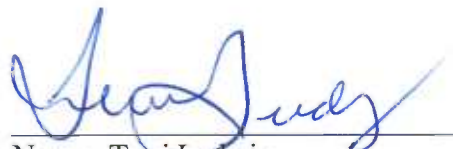
Title: _____
(please print)



IN WITNESS WHEREOF, the Parties have caused this Contract to be duly executed as an instrument under seal, all as of the date first above written.

DENVER PFS, LLC, a Delaware limited liability company

By: ENTERPRISE COMMUNITY PARTNERS, INC., a Maryland nonstock, nonprofit corporation, its member

By: 
Name: Terri Ludwig
Title: President and Chief Executive Officer

By: CORPORATION FOR SUPPORTIVE HOUSING, a Delaware not-for-profit corporation, its member

By: _____
Name: Deborah De Santis
Title: President and Chief Executive Officer



IN WITNESS WHEREOF, the Parties have caused this Contract to be duly executed as an instrument under seal, all as of the date first above written.

DENVER PFS, LLC, a Delaware limited liability company

By: ENTERPRISE COMMUNITY PARTNERS,
INC., a Maryland nonstock, nonprofit
corporation, its member

By: _____

Name: Terri Ludwig

Title: President and Chief Executive

Officer

By: CORPORATION FOR SUPPORTIVE
HOUSING, a Delaware not-for-profit
corporation, its member

By: *Deborah De Santis*

Name: Deborah De Santis

Title: President and Chief Executive

Officer



IN WITNESS WHEREOF, the Parties have caused this Contract to be duly executed as an instrument under seal, all as of the date first above written.

DENVER PFS, LLC, a Delaware limited liability company

By: ENTERPRISE COMMUNITY PARTNERS,
INC., a Maryland nonstock, nonprofit
corporation, its member

By: _____
Name: Terri Ludwig
Title: President and Chief Executive Officer

By: CORPORATION FOR SUPPORTIVE
HOUSING, a Delaware not-for-profit
corporation, its member

By: _____
Name: Deborah De Santis
Title: President and Chief Executive Officer

EXHIBIT B: EVALUATION DESIGN

EVALUATION DESIGN/RESEARCH DESIGN

Denver Supportive Housing Social
Impact Bond Initiative

Mary Cunningham
Sarah Gillespie

Mike Pergamit
Devlin Hanson

Shiva Kooragayala

January 2016



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Background and Context

The Denver Supportive Housing Social Impact Bond (SH-SIB) Initiative will provide supportive housing for individuals who are frequent users of both criminal justice and emergency medical services in the city of Denver, Colorado. In addition to experiencing homelessness and struggling with substance use and mental health problems, the target population commits frequent low-level offenses such as public nuisance violations, alcohol and drug use, panhandling, and trespassing. As a result, this population is frequently arrested and cycles in and out of jail, detox, and emergency services, effectively increasing costs across systems. Often without follow-up services upon release from jail, this population returns to the same risks and falls into a recurring cycle of negative outcomes. This cycle continuously results in high costs across city agencies and service providers.

The SH-SIB initiative will provide supportive housing to interrupt the status quo. Supportive Housing is an evidence-based intervention that provides housing plus intensive case management and connects clients with community services, including primary healthcare.^{1, 2} Past research indicates that the provision of housing and services jointly increases housing stability, improves mental and physical health, and decreases the number of low-level offenses which lead to several desired outcomes for the city, namely decreases in the number of arrests, detox visits, and usage of emergency medical services.^{3, 4} Overwhelming evidence shows that supportive housing is effective for chronically homeless adults who are frequent and costly users of public systems, and that the cost of the program can be offset by its benefits.^{5,6} The City of Denver has identified “front-end users” that drive up the cost of public services,

¹ Corporation for Supportive Housing. (2015) “Evidence and Research.” Accessed on January 13, 2016 at <http://www.csh.org/supportive-housing-facts/evidence/>

² National Alliance to End Homelessness. (2007) “Supportive Housing is Cost Effective.” Accessed on January 13, 2016 at http://www.endhomelessness.org/page/-/files/1200_file_SupportiveHousingSaves.pdf

³ Aidala, Angela A.; McAllister, William; Yomogida, Maiko; Shubert, Virginia. (2014) “Frequent Users Service Enhancement ‘FUSE’ Initiative: New York City FUSE II Evaluation Report.”

⁴ Larimer, Mary E.; Malone, Daniel K.; Garner, Michelle D; et al. (2009) “Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons with Severe Alcohol Problems.” *JAMA*. 301(13): 1349-1357.

⁵ Culhane, Dennis P.; Metraux, Stephen; Hadley, Trevor. (2002) “Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing.” *Housing Policy Debate*. 13(1)

⁶ Perlman, Jennifer; Parvensky, John. (2006) “Denver Housing First Collaborative: Cost Benefit Analysis and Program Outcomes Report.” Accessed on January 13, 2016 at http://denversroadhome.org/files/FinalDHFCCostStudy_1.pdf

highlighted some of the gaps in service delivery for this population, and has identified an evidence-based solution, namely supportive housing, to fill those gaps.

The Denver Supportive Housing Social Impact Bond Initiative offers opportunities to understand how to efficiently target supportive housing to “front-end users,” to measure impacts, and to weigh the costs and benefits of the program. The Denver SH-SIB will be one of the first supportive housing programs funded through a social impact bond (SIB) financing mechanism. The program’s structure, the investors the program attracts, the key performance measures for payments structures and thresholds, and the associated development of data tracking mechanisms through numerous systems will all contribute knowledge to the field and could lead to an expansion of supportive housing through this financing mechanism.

The supportive housing social impact bond initiative includes the following core partners:

Table 1. Initiative Partners for SIB Implementation		
Role	Partner	Responsibilities
Local Government	City of Denver	Re-pay investors if performance benchmarks are met
PFS (Pay for Success) Lenders	To Be Determined	Provide capital to fund services, receive principal and interest when performance benchmarks are met
Intermediary	Denver PFS, LLC (jointly owned by CSH and Enterprise)	Manage service providers and facilitate PFS lender agreements and payments from City to PFS lenders
Supportive Housing Providers	Colorado Coalition for the Homeless Mental Health Center of Denver	Provide housing through new tax credit construction and existing vouchers, provide supportive housing services
Evaluation	Urban Institute with local partners, The Evaluation Center at the University of Colorado Denver and Burnes Institute	Establish research design, verify performance benchmarks are met, measure other outcomes of interest

Program Structure

Target Population

The target population of interest to the City is front-end frequent users that drive up public service costs and cycle in and out of jail, detox, and emergency medical services. Eligibility criteria must target a group of individuals that is large enough to fill the available housing units and establish a control group, while also representing high levels of systems use. The team has used arrest data to operationalize eligibility criteria for the SIB.

Based on arrest data from 2012-2014, targeting individuals who have at least 8 arrests over three years and identified as transient (having no address or providing the address of a shelter) at the time of arrest would result in a sample size of approximately 1,456 individuals. We have run data matches on this target population to understand their level of system use during the same time period for homelessness, jail stays, and detox and other health services, as outlined in table 2 below.

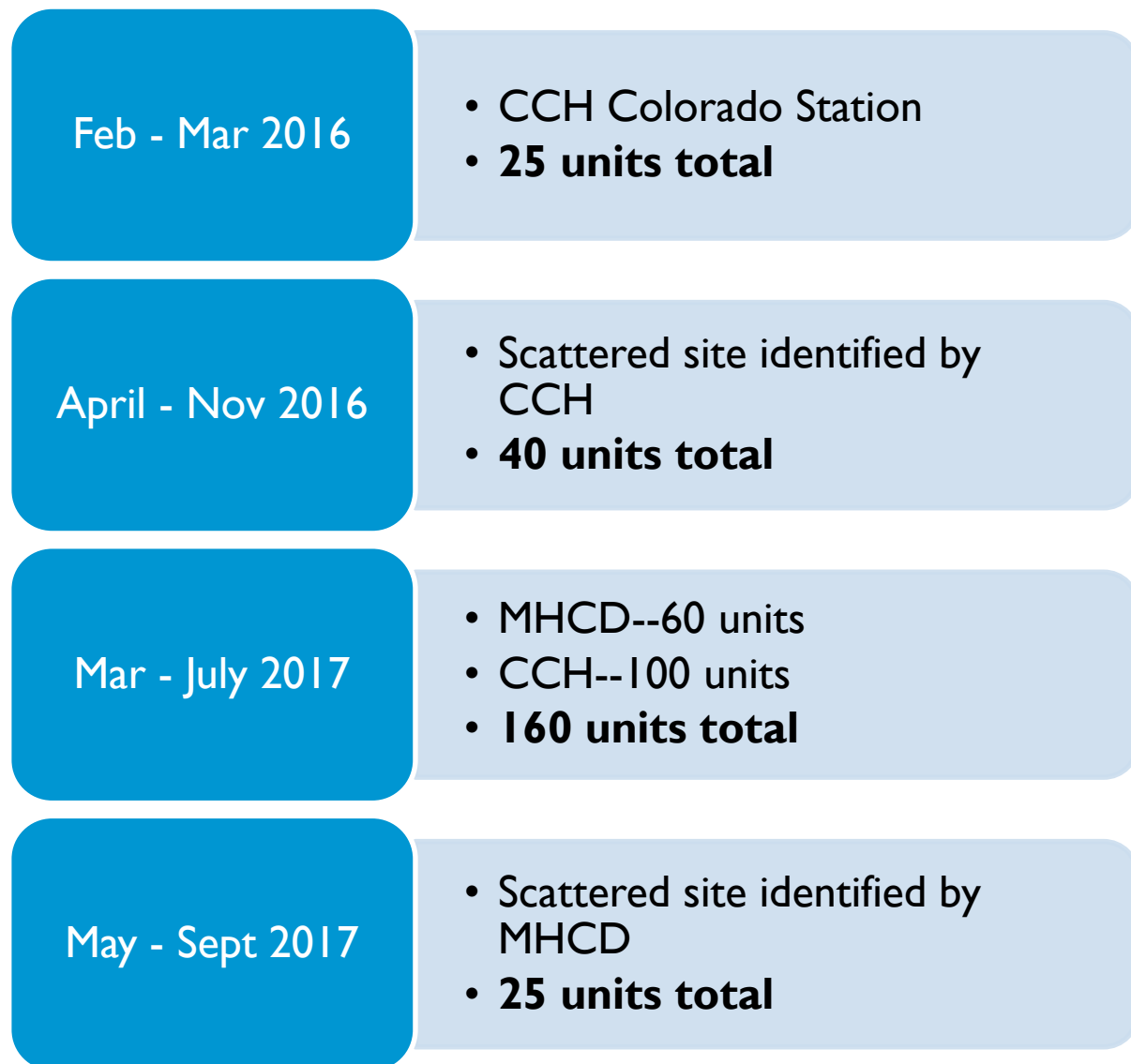
Table 2. System Use Among Target Population with 8+ Arrests over 3 years	
HMIS Shelter Stays	
<i>At least 1 stay in HMIS over 3 yrs</i>	62%
<i>2+ recorded stays over 3 yrs</i>	33%
Jail Days	
<i>First year after eligibility</i>	77 jail days
<i>Second year after eligibility</i>	45 jail days
Detox	
<i>Per year after eligibility</i>	3-8 detox visits

The data match to the homeless management information system (HMIS) shows that 899 out of the 1,456 individuals had at least 1 shelter stay recorded in the HMIS over 3 years, and about a third had 2 or more recorded stays. While we know this population also likely experiences types of homelessness not captured in HMIS data, these data confirm that our targeting criteria will indeed reach a homeless population. Similarly, data from a random sample of the target population show that individuals spent, on average, 77 days in jail in the year following their eligibility and an average of 45 days in jail in the second year following their eligibility. The target population also utilizes detox services at an average of 3-8 detox visits per year over the 4 years following their eligibility (a range is used due to an incomplete data match for this system).

Housing Type

To meet the goal of providing 250 individuals with supportive housing units, housing will be provided through a combination of single-site homes in two new buildings built with low-income housing tax credits and also scatter-site units which are existing units of rental housing in the community that will be paired with a housing subsidy and services in order to be converted to supportive housing. The subsidies will come from the Colorado Division of Housing, the Denver Housing Authority, flexible subsidy dollars from the SIB transaction, and the Denver Continuum of Care. Housing is expected to become available according to the following timeline:

Figure 1. Housing Flow Timeline



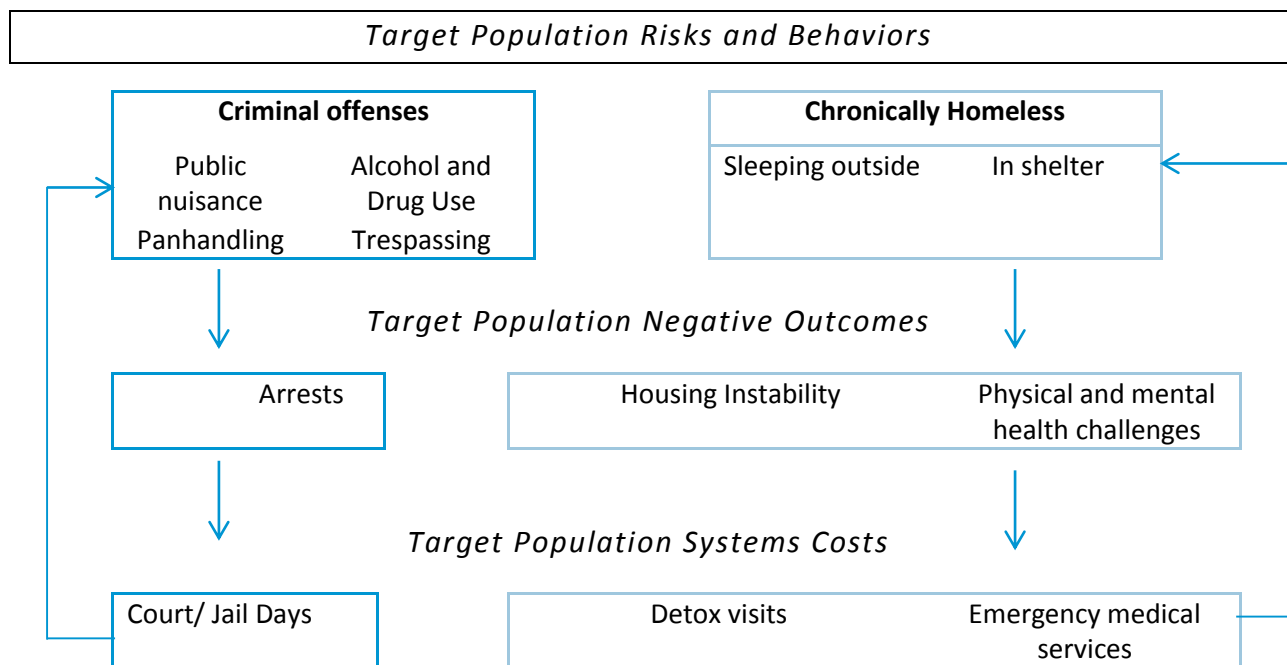
Program Services

Supportive services will be provided by CCH and MHCD. Both organization use modified models based on an Assertive Community Treatment (ACT) model for supportive services, which is a highly integrated and intensive approach for community mental health service delivery. Other programs have demonstrated that the ACT model can be implemented with variations with great success. The initiative and partners will work to define the adaptation of ACT used for the SH-SIB initiative. In addition to case management, the target population will be enrolled in Medicaid through the support of Colorado Access, the current managed care network in Colorado.

Usual Care

Without follow-up services upon exit from the multiple systems in which they are regularly involved, front-end users return to the same risks and behaviors and experience a recurring cycle of negative outcomes and high systems costs. Figure 2 depicts the cycle of usual care for this population.

Figure 2. Status quo: Cycle of target population outcomes and costs



Overview of Evaluation

Theory of Change

The SH-SIB program provides supportive housing to break the cycle of jail, detox, and emergency medical services experienced by many front-end users. Supportive housing will integrate the services of multiple systems to provide care that results in increased housing stability and improved physical and mental health as well as fewer arrests. Along with supportive services, the intervention will provide a housing unit that is safe, sustainable, functional, and suitable for tenant stability. Importantly, Supportive Housing adopts “housing first” as an operative tenet and is not a sobriety model. The theory of change behind Supportive Housing is that once individuals in the target population are housed, they are not living on the streets, openly drinking in public spaces, panhandling, trespassing, or engaging in other similar sorts of nuisances or crimes. Instead, they have a place to live and sleep. They may, however, continue with substance use, though research shows modest reductions in substance use over time (Collins 2011).

As depicted in the Theory of Change in Figure 3, the intermediate outcomes of this intervention include increased housing stability, reductions in homelessness, drug and alcohol use, public nuisances, and improvements in mental and physical health. These intermediate outcomes will result in several intended program outcomes, including decreases in arrests, jail days, detox visits, and in the use of emergency medical services. These ultimate outcomes are of particular interest to investors and the City.

Figure 3. Theory of how supportive housing leads to reduction in front end user costs

Goal: To reduce jail days, detox visits, and use of emergency medical services.

Target Population. Chronically homeless, frequent users of jail, detox, and emergency medical services

Providers.

Mental Health Center of Denver (MHCD)

Colorado Coalition for the Homeless (CCH)

Entry Points.

Police Contact

Non-Custodial Arrest

Custodial Arrest

Supportive Housing seeks to integrate the services of multiple systems to provide care that results in increases in housing stability and physical and mental health and decreases in arrests.

Intervention – Supportive Housing	Intermediate Outcomes	Long-Term Outcomes
<i>Housing Subsidy</i>	<i>Increase Housing Stability</i>	<i>Decrease Arrests</i>
Provide assistance paying rent in a housing unit that is safe, sustainable, functional, and conducive to tenant stability	Reduce homelessness; Provide a safe, healthy, stable housing unit	<i>Decrease Jail Days</i>
<i>Case Management Services</i>	<i>Decrease public nuisance</i>	<i>Decrease Detox Visits</i>
Develop case plan; Facilitate access to benefits; Provide referrals; Coordinate care	Decrease alcohol and drug use; Decrease trespassing; Decrease panhandling;	<i>Decrease Use of Emergency Medical Services</i>
<i>Health Care Services</i>	<i>Improve Health</i>	
Enrollment in Medicaid; Mental and physical health care	Mental health; Physical health	

Research Questions

Two sets of research questions drive the evaluation of the Denver SH-SIB which will be answered through two primary components of the evaluation including a process study and outcomes and impact study:

- 1) How is the program implemented? How are eligible individuals located and engaged? How do participants take up housing and services? Does it align with the CSH Dimensions of Quality Supportive Housing? Is there fidelity to the service model? How does this look different from usual care? What types of systems change and services integration were achieved? What are the key facilitators and challenges?
- 2) Do housed participants retain housing? Does supportive housing increase housing stability and decrease the utilization of high cost public services (e.g., jails, courts, detox, homeless shelters, hospitals)? Do outcomes differ for participants housed in scatter-site housing versus single-site housing? Were performance goals met so that investors should be paid?

Major Components of the Evaluation

- **Process Study:** Key process-related information is necessary to manage implementation, including the housing and referral pipeline, and to make mid-course corrections to keep the initiative on track to achieve long-term outcomes. Process information will also help us interpret the results of the impact evaluation based on documentation of the program model and participant engagement. To collect information about these different domains, we will manage an engagement dashboard as well as a housing enrollment pipeline. We will conduct annual site visits and key informant interviews with service providers and other important stakeholders. We will also review program-related documents such as training manuals, standard operating procedures, or other descriptions of program components.
- **Outcomes and Impact Study:** To validate the data used to inform the interim investor payments based on housing retention among housed participants, we will track participant exits from housing and measure days spent in housing. We will also validate the data used to inform final investor payments based on the impact that supportive housing has on the target population's jail days, as well as explore impacts on a broader set of outcomes defined below and whether outcomes differ for participants housed in scatter-site versus single-site units. As described below, we will use a randomized controlled trial (RCT) as part of the research design. Eligible individuals will be randomly assigned to one of two groups—one that receives supportive housing as part of the initiative or one that receives “usual care” services. We will measure

differences in key system outcomes between the groups (i.e., use of services) using administrative data from the primary systems of interest.

Table 3: Primary Evaluation Components		
Evaluation Component	Research Questions	Data Sources
Process Study	How is the program implemented? How are eligible individuals located and engaged? How do participants take up housing and services? Does it align to the CSH Dimensions of Quality? Is there fidelity to the service model? How does this look different from usual care? What types of systems change and services integration were achieved? What are the key facilitators and challenges?	Engagement dashboard, housing enrollment pipeline, annual site visits and key informant interviews, review of program-related documents
Outcomes and Impact Study	Do housed participants retain housing? Does supportive housing increase housing stability and decrease the utilization of high cost public services (e.g., jails, courts, detox, homeless shelters, hospitals)? Do outcomes differ for participants housed in scatter-site housing versus single-site housing? Were performance goals met so that investors should be paid?	Program housing retention data, administrative data from systems of interest

RCT Design

Randomized Controlled Trial (RCT) is widely considered to be the gold standard in measuring the effectiveness of a policy or intervention. RCTs are useful for establishing the counterfactual, or what would have occurred in the absence of the intervention. In the case of this initiative, the RCT design will be able to compare the trajectories of front-end users who receive priority placement in supportive housing and those who receive usual care (see figure 2). The target population for the SH-SIB Initiative includes many more people who are in need of and are eligible for the intervention than there are housing slots. Thus, the limited housing slots will be allocated by lottery, which is a fair way to allocate the scarce housing resources and also enables random assignment. The evaluation will track outcomes for both groups and attribute any differences to the supportive housing intervention. The selected eligibility criteria will allow for a sample of at least 500 participants, including 250 in treatment group and 250 in the control group. As outlined in table 9 on page 30, this sample size allows the evaluation to

detect effects of at least 25 percent, which the literature suggests is reasonable to expect for reduced jail time⁷. For example, if the control group experiences an average of 50 days in jail, we can determine effects of the program if the treatment group experiences 25% fewer days, or an average of 37.5 days in jail.

Referral and Randomization Strategy

Based on the eligibility criteria, the Denver Police Department (DPD) will identify eligible individuals through a data pull and create a de-duplicated, de-identified eligibility list for the initiative, assigning a unique research ID to each individual on the eligibility list. When program enrollment begins, individuals will be identified from the eligibility list as they enter a designated intake point. Intake points include police contact and arrest, both custodial and ticket arrests. Denver Police Department (DPD) will serve as a coordinated intake point and will electronically maintain the SIB eligibility list (including periodic updates) and match the eligibility list with daily arrest/contact lists to identify SIB eligible individuals. DPD will then send a de-identified list of “matched” SIB eligible individuals to the Urban Institute who will ensure eligible individuals are only randomly assigned once and will stratify equally between arrest and police contact intakes. Urban will generate a de-identified list of individuals assigned to the treatment group and send to the referral coordinator at CPCC. The CPCC referral coordinator will link the unique research IDs back to the individual identifiers (i.e. names and as much information as is available from the intake points to support locating and outreach) on the master eligibility list, and send those individuals’ information to the service provider(s) with available housing slots, and, as available, co-responder staff within the Denver Police Department who will assist in locating eligible individuals and connecting to service providers. In times when both CCH and MHCD have available housing slots, the two service providers will work together to assign individuals to a service provider based on any existing client relationships. Outreach workers will attempt to locate each referred individuals within 24 hours of referral to minimize location challenges. When outreach workers locate individuals in the treatment group, they will first facilitate a Release of Information and then can immediately begin program engagement, working together with other service providers and co-responders to engage the individual. Service providers will engage participants in the treatment group for a minimum of three months before stepping down engagement and requesting a new referral. After being located, individuals must also pass the SIB housing screen (Attachment E) to confirm homelessness and continue engagement toward housing placement. While the SIB housing screen will only screen *out* any

⁷ Aidala, et al. FUSE II Evaluation Report (see footnote 3)

individuals who are not considered homeless according to the SIB screening requirements, it will also screen for chronic homelessness (Attachment F) which will help determine the most appropriate housing subsidy for the individual. Urban, working with DPD, will update the list to ensure individuals are only randomized once, will manage any updates as the list is refreshed or expanded, and will coordinate with service providers to turn randomization “on” and “off” as necessary. This process is depicted in Figure 4 below.

Randomization Stratification

Because eligible individuals can be randomly assigned from what we consider three different intake points—police contact, non-custodial arrest, and custodial arrest—it is important that the treatment and control groups are equivalent in terms of the number of individuals randomized from each intake point. To ensure this type of equivalency, we will use randomization stratification. Each day, each eligible individual from all three intake points will be given a number generated by a random number generator from a uniform distribution using Stata software. The sample will be stratified across the three entry types, i.e. the number of treatment individuals in each entry type will equal the number of control individuals in the same entry type.

The treatment and control groups will be created based on their random number and the number of individuals in that entry type to be matched. The treatment group will be composed of the individuals with the lowest random numbers that day, up to the number of open slots, conditional upon having at least one possible match within that individual’s entry type. The control group will be identified as the next lowest random numbers in the entry type group. Consider the following example:

Suppose there are two open slots on a given day. We want to randomize two individuals into treatment and two into control. We will take the two individuals with the lowest random number values; in this example, that would be PIN 3 and PIN 4. However, there is no comparable control for PIN 3, so PIN 3 cannot be a treatment case. We would then pick the next lowest random number which is PIN 1; there is another observation in that entry type that can be a control so PIN 1 would be a treatment case. We then pick the controls as the next lowest random numbers within each entry type; PIN 2 for custodial arrests is the match for PIN 1 and PIN 5 is the match for PIN 4 in the contact group. No other cases are randomly assigned and unassigned individuals will be eligible for a new random assignment if they come back in through one of the entry points on another day.

Exhibit 1. Example of Random Assignment

PIN	Random Number	Group	Assignment
1	138	Custodial Arrest	Treatment
2	476	Custodial Arrest	Control
3	102	Non-Custodial Arrest	None
4	122	Contact	Treatment
5	180	Contact	Control
6	367	Contact	None
7	757	Contact	None

SIB Housing Screen

The SIB housing screen that will be completed for each individual randomized to the treatment group is based on the strict HUD definition of homelessness as outlined in the federal HEARTH Act which includes the following categories: core definition (in shelter, on the street, exiting an institution and previously homeless), fleeing domestic violence, persistent housing instability, and imminently losing primary nighttime residence.

The referral strategy will begin with using the screen to screen out any individuals who do not meet the strict HUD definition of homelessness. Individuals who are screened out will not be eligible for supportive housing at that time but will remain in the treatment group and can be re-screened should their situations change in ways that would make them eligible for supportive housing. The screen also includes additional questions that will help us understand if participants who are screened out would be eligible under a slightly modified definition of homelessness.

If the evaluation is at risk of screening out too many participants from the treatment group, therefore creating an equivalency problem between the treatment and control group, and those individuals would be eligible under a modified definition of homelessness, then we will modify the housing screen moving forward and the service providers could continue engaging any treatment individuals who would be eligible under the modified definition. This strategy still allows the evaluation to provide a clear description of the homelessness characteristics of the full treatment group.

The service providers will be trained on how to use the housing screen and Urban will closely monitor the screening process.

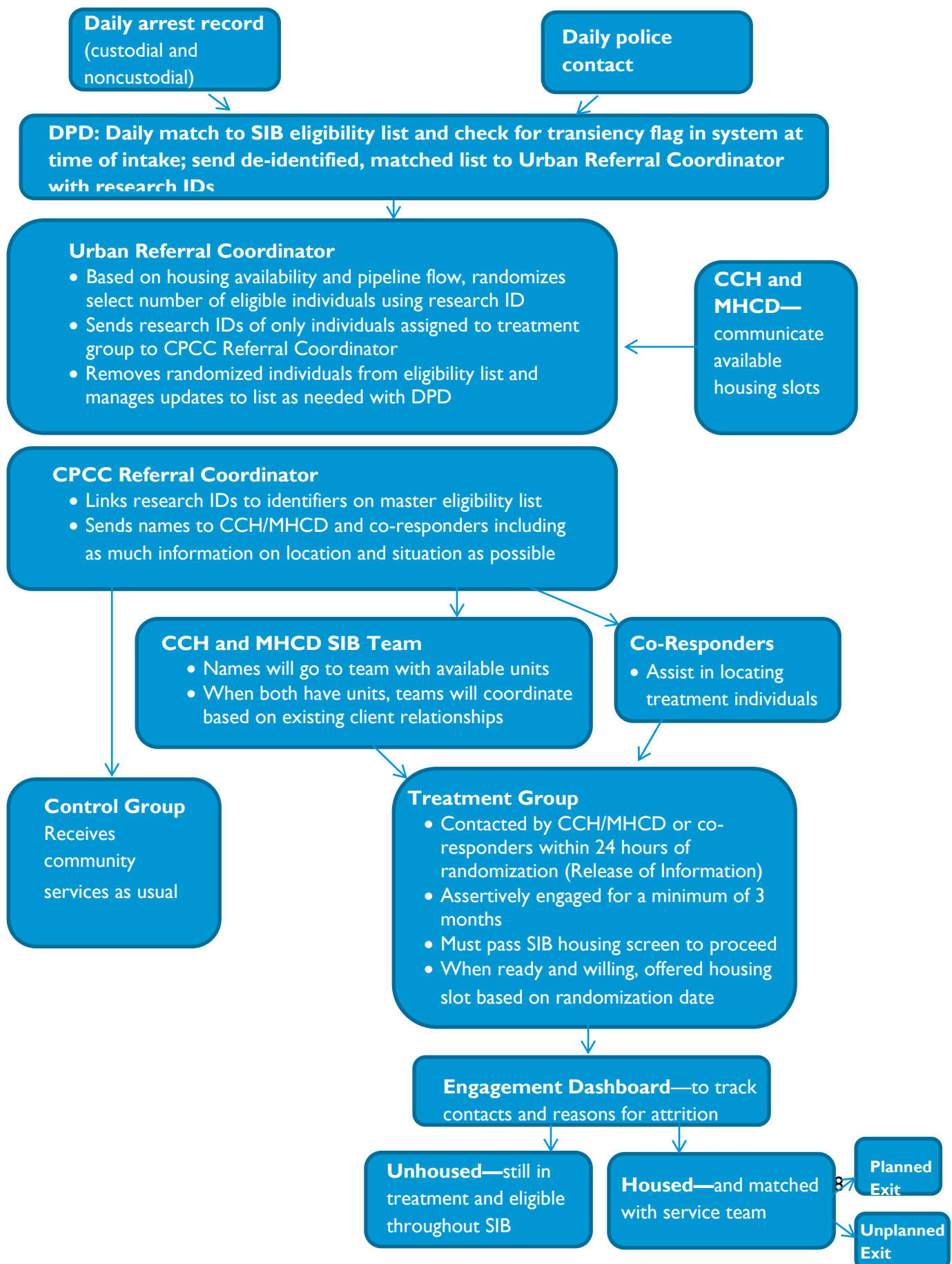
Minimum Treatment Randomization Timeline

The Minimum Treatment Randomization Timeline shown in table 4 below ensures that a sufficient number of individuals are randomized to the treatment group to meet available housing slots. Urban will ensure that individuals are randomized at least one month before housing slots become available to allow for engagement before lease-up. Should the lease-up schedule be amended at any time, Urban can also quickly amend the randomization timeline.

Table 4. Minimum Treatment Randomization Timeline

Month	Total Monthly Projected Placements	Cumulative Projected Placements	Minimum Monthly Treatment Assignments	Minimum Cumulative Treatment Assignments
Nov-15	0	0	0	0
Dec-15	0	0	0	0
Jan-16	0	0	10	10
Feb-16	10	10	15	25
Mar-16	15	25	10	35
Apr-16	10	35	9	44
May-16	9	44	4	48
Jun-16	4	48	4	52
Jul-16	4	52	4	56
Aug-16	4	56	3	59
Sep-16	3	59	3	62
Oct-16	3	62	3	65
Nov-16	3	65	20	85
Dec-16	0	65	20	105
Jan-17	0	65	20	125
Feb-17	0	65	20	145
Mar-17	20	85	20	165
Apr-17	20	105	25	190
May-17	45	150	25	215
Jun-17	45	195	25	240
Jul-17	45	240	10	250
Aug-17	5	245	0	250
Sep-17	5	250	0	250

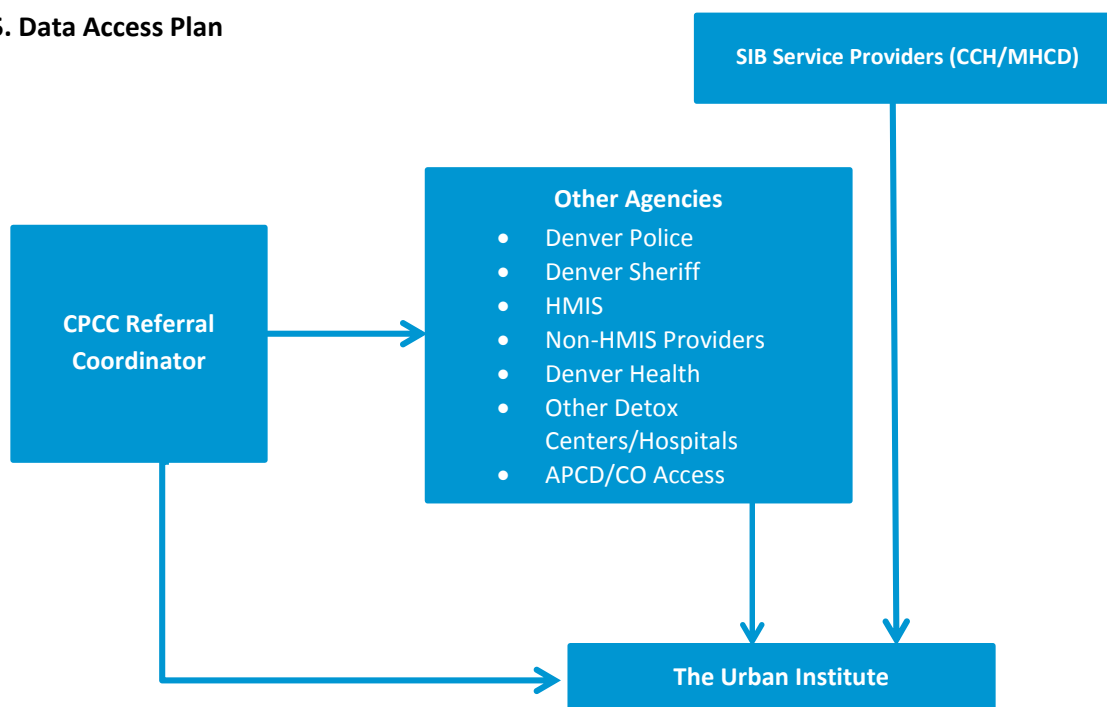
Figure 4. Referral and Randomization Flowchart



Data Sharing and Consent

Urban will collect only de-identified administrative data that is linked by the Urban Institute through a project specific ID that one central agency will share with other administrative data agencies. To make this work, the Denver Crime Prevention and Control Commission (CPCC) will assign a staff person who will fulfill the role of the CPCC Referral Coordinator. The CPCC referral coordinator will have access to the master eligibility list which will include personal identifiers as well as a project specific ID for each individual in the treatment or control group (while Urban will only have the de-identified eligibility list). The CPCC referral coordinator will share the personal identifiers and the project specific ID of the individuals in the study with each of the other agencies from which the Urban Institute will collect administrative data, based on data sharing agreements with each of those agencies. The other agencies will pull the requested data for each individual in the study using the personal identifiers, attach the unique research identifier to their data sets, and strip the personal identifiers from the dataset. Each of the agencies will send their data including the project specific ID directly to the Urban Institute. This will allow the Urban Institute to generate a single de-identified data set with data from each of the agencies. Under this plan, the Urban Institute will never have access to any personal identifiers for any of the participants in the study. This method of data collection and data sharing ensures that no single agency or entity has access to more than one data set with identifiers. Furthermore, the Urban Institute will be in control of the linking process and ensure its quality. The data access plan is depicted in Figure 5.

Figure 5. Data Access Plan



Evaluation Components

Process Study

Key process-related information is necessary to manage implementation, including the housing and referral pipeline, and to make mid-course corrections to keep the initiative on track to achieve long-term outcomes. Process information will also help us interpret the results of the impact evaluation based on documentation of the program model and participant engagement. To collect information about these different domains, we will manage an engagement dashboard as well as a housing enrollment pipeline. We will conduct annual site visits and key informant interviews with service providers and other important stakeholders. We will also review all program-related documents such as training manuals, standard operating procedures, or other descriptions of program components.

Research Questions

- How are eligible individuals located and engaged?
- How often and quickly do participants take up housing and services? What prevents take up?
- How is the program implemented? Does it align with CSH's Dimensions of Quality?
- Is there fidelity to the initiative's service model?
- Does the provision of supportive services look different for participants in a single site vs. scattered site housing placement?
- How does the intervention look different from usual care?
- What types of systems change and services integration were achieved?
- What are the key facilitators and challenges to successful program implementation?

Data Collection, Sources, and Analysis Methods

We will conduct the process study over the course of the evaluation, collecting and analyzing data at regular intervals. Early data collection will especially inform research design and evaluability. When enrollment begins, the process study will inform the initiative's understanding of program flow, in other words, how many eligible individuals flow through the initiative's intake points on any given day, week, or month. The process study will also collect data on how service providers are able to locate and engage individuals in the treatment group. Because the target population is historically known to be a treatment resistant population, many other similar studies have experienced challenges engaging eligible individuals which results in low take-up rates within the treatment group. To understand how service providers locate and engage individuals, and how those individuals take up (or don't take up) the

housing and services offered through the intervention, the process study will use tools such as an engagement dashboard and referral pipeline. These tools will be maintained in real-time to inform both the research design and program model.

Answering research questions regarding program implementation and challenges will help identify important mid-course corrections. Unpacking the different program components is also critical to describing the entirety of the demonstration and interpreting the results obtained by the impact study.

To help guide the identification and analysis of program components, structures, and processes, we will assess the key components of the initiative and how they compare to CSH's Dimensions of Quality Supportive Housing⁸, which assess whether supportive housing projects are tenant-centered, accessible, coordinated, integrated, and sustainable (CSH 2014). The key components we will examine include:

- **Participants.** Partners, roles, service contributions, levels of staff involved (from front line to leadership), types and modes of interaction, and changes over time.
- **Program Goals.** For individuals and for agencies, and changes over time.
- **Referral and Intake Process.** How individuals get to the program, how intake decisions are made, what tools are used, how the information collected by assessment tools is used, and changes over time.
- **Program Components and Requirements.** For individuals, including program duration and intensity, program features, rules, restrictions, how program components compare to 'usual care' services, and how they change over time.
- **Data and Client Tracking Systems.** How service providers assess individuals over time, the nature and frequency of assessments and data monitoring by program, how data are used to influence program performance, and changes over time.
- **Housing Subsidy Type and Duration.** Housing type, subsidy type (Section 8, Shelter+Care, local rent subsidy program, other), direct to permanent housing or some interim situations, rehousing if participants lose housing, and changes over time.

⁸ Corporation for Supportive Housing (2014) "Dimensions of Quality Supportive Housing" Accessed on January 13, 2016 at http://www.csh.org/wp-content/uploads/2013/07/CSH_Dimensions_of_Quality_Supportive_Housing_guidebook.pdf

- **Supportive Services.** What types of services are offered, how the services are staffed and run, how providers design and implement services and how they differ from “usual care”, how supportive services change over time for individuals.

In addition to describing these key program components and how they align with the Dimensions of Quality Supportive Housing, we will collect information on the larger environment in which the program operates. The supportive housing SIB initiative will operate within the criminal justice and other public systems that will have shifting processes for responding to the target population. We will also document the local housing market which can create both opportunities and challenges for the program. Provider capacity may also differ—some providers may be establishing new program models, while others are launching enhanced versions of existing activities; thus, each provider will have different capacities and experience. We will examine how all of these factors affect program design and implementation.

Because systems change is critical to the success of this program and serving the target population, we will document the strength of the partnerships within the SIB and the level of services integration they achieve. We will document changes in the numbers and types of agencies involved; levels of staff involvement within the various agencies; and the flow of information, clients, and money. We will look at specific structures developed for the project at the line worker, manager, and agency director levels, to establish procedures, unblock bottlenecks and develop strategies to eliminate them in the future, and deal with challenges to project implementation as they arise. Ideally we would also be able to look at the relationship of increasing success at services integration and participant outcomes, hypothesizing that greater integration leads to better participant outcomes.

Finally, we will document what constitutes “usual care” in the Denver community as the program is implemented over time. In doing so, we will rely on the same components as we do in describing the program model, including their absences (e.g., housing subsidies and certain types of supportive services). Understanding the counterfactual—what housing and services individuals in the target populations are likely to receive in the absence of the program—is critical to interpreting the results of the evaluation.

We anticipate using the following qualitative data collection mechanisms:

- **Document Review.** We will request program policy manuals, training tools, and other relevant documents generated by the service providers about their activities.

- **Observation.** We will observe select program components and partner coordination; for example, management meetings and program meetings.
- **In-person staff interviews and provider/partner focus groups.** We will conduct annual in-person interviews with program staff and other appropriate staff respondents.
- **Phone interviews and conference calls.** We will conduct regular calls for program and evaluation updates and coordination among all partners.

The semi-structured interview and observation protocols we use during site visits to conduct interviews and focus groups with key informants and stakeholders will include discussion topics and questions that reflect key research areas, as will the tools used for extracting information from program documents. We will use a qualitative analysis software package, such as NVivo, to organize and categorize key themes and issues. Results will be presented qualitatively and also converted into a few key quantitative measures to be included in the impact analysis. We will develop an effective way to share timely findings from the process study.

Outcomes and Impact Study

The outcomes and impact study will validate both the interim and final payment triggers for the SIB project and contribute to the broader field of supportive housing for frequent user populations. Our outcomes and impact study will have two components: an analysis for the purpose of validating outcomes tied to payments made to investors and a broader impact analysis. For the purposes of the payment triggers, we will measure housing retention, days in housing, and the impact of the program on jail days. For the payment trigger outcomes, we will use a straightforward method of analysis for estimating the outcomes for the sake of clarity and transparency. We will base the broader outcome analysis on a more technical analysis method, producing estimates of the impacts on a host of outcomes including homelessness, arrests, detox visits, Medicaid utilization, and the use of emergency medical services.

Below we describe the measures, data, and analysis methods that will be used for each of these components of the outcomes and impact study. We include a provision for calculating payment outcomes should the program be terminated early as well as an alternative analysis method, should there be inadequate take-up of housing or too many violations of the control condition (i.e. controls obtain housing specifically through the SIB program).

Research Questions

- Do housed participants retain housing?
- Were performance goals met so that investors should be paid?
- Does supportive housing increase housing stability and decrease the utilization of high cost public services (e.g., jails, courts, detox, homeless shelters, hospitals)?
- Do outcomes differ for participants housed in scatter-site housing versus single-site housing?

Measures, Data Collection, Sources, and Analysis Methods

We first describe the data and methodology to be used to estimate the payment triggers of housing retention, days in housing, and jail days. We then describe the data and estimation technique and data to be used for the broader outcome evaluation.

Payment Triggers

The primary payment triggers will be based on measures of housing stability and reductions in jail days. Housing retention and days in housing among the housed treatment group will be used as an interim payment trigger since housing retention is a strong predictor of longer-term outcomes of interest. The final payment trigger for the SIB will be the impact on jail stays, measured by the difference in average jail days between the treatment and control groups.

Housing Stability

Housing stability will be tracked through program and administrative data and will be measured only for the individuals in the treatment group who enter program housing. The threshold, payment points, and other information on how housing stability will be measured are outlined in table 5.

Table 5. Measurement of Housing Stability and Payment Points

Threshold	Payment Points	Limitations
<ul style="list-style-type: none">▪ Individual must maintain a lease for one-year from lease-up date before eligible for payments, as defined in the Contract.▪ The client has a lease, sublease or occupancy agreement in their name, as defined in the Contract.	<ul style="list-style-type: none">▪ After threshold met, City payments made annually starting on 10/30/2017 based upon days in housing before and after threshold according to payment schedule, as defined in the Contract	<ul style="list-style-type: none">▪ Days spent in jail since lease-up date will be subtracted from days eligible for payments, as defined in the Contract.

Exits	
<p>Unplanned: If a client meets the condition below prior to achieving the one year threshold, success payments will not be made for that client:</p> <ul style="list-style-type: none"> ▪ Loss of voucher/lease for any reason other than those specified under planned exit reasons (voucher loss can occur after 90 days away from unit (e.g. incarceration, returns to homelessness) or after eviction) 	<p>Planned: If a client meets any of the conditions below prior to or after achieving the one year threshold, success payments will be made for the total number of days that the client was stably housed prior to exit at the per diem rate:</p> <ul style="list-style-type: none"> ▪ Death ▪ Exit to other permanent stable housing where the client is named on a lease, sublease or occupancy agreement OR has a letter stating that they are allowed to reside with the leaseholder or owner in the unit on a permanent basis ▪ Tenant entered long-term residential treatment or other level of care (e.g. assisted living) that exceeds 90 days in order to address a physical or behavioral health issue ▪ Tenant was incarcerated for actions solely occurring prior to SIB randomization

The data sources and measures that will be used to calculate housing stability are outlined in table 6. Program data from MHCD and CCH will be collected approximately biweekly through the Engagement Dashboard as specified in the Urban Institute-Mental Health Center of Denver Data Sharing Agreement and Urban Institute-Colorado Coalition for the Homeless Data Sharing Agreement. Data from Denver Sheriff will be collected at least every six months as specified in the Denver Sheriff Department Data Sharing Agreement within the independent evaluator's contract. Data will be linked by unique research ID to calculate housing stability outcomes.

Table 6. Data Sources and Measure for Calculating Housing Stability

Data Source	Measures
MHCD/CCH Program Data	<ul style="list-style-type: none"> - Unique research ID - Lease-up date - Housing exit date - Housing exit reason
Denver Sheriff Department	<ul style="list-style-type: none"> - Unique Research ID - Jail Entry Date - Jail Exit Date - Facility

Jail Day Reductions

Final payment will be based on the program's impact on reducing jail days. Jail day reductions will be measured as the average difference of jail days between the treatment and control groups, over a

period of three years from randomization date, and estimated using a treatment-on-the treated (TOT) approach, as described in the analysis plan below. The payment for jail day outcomes will be made at the end of the evaluation period.

Estimation Method

To understand the calculation of the Treatment-on-the-Treated (TOT), we first explain how treatment impacts are estimated Intent-to-treat (ITT). The ITT estimate is defined as the difference between the average outcomes for those referred to the SH-SIB (the Treatment Group) and those not referred to the SH-SIB (the Control Group), adjusting for pre-randomization covariates.

All eligible individuals randomized to the treatment population will be counted in the treatment population, regardless of whether they actually engage with the service provider, pass the SIB housing screen, or obtain housing. All eligible individuals randomized to the control population will be counted in the control population, even if they enroll with the service provider or obtain housing.

Calculation: The ITT estimate is measured as the average individual outcomes for the treatment population less the average individual outcomes for the control population. We control for pre-randomization covariates using a regression framework. Specifically the ITT estimate, π_v , would be measured using the regression equation below:

$$Y_i = \alpha + \beta^T T_i + \sum_{n=1}^N \beta^n X_i^n + \varepsilon_i$$

Y_i is the number of jail days for each individual, i , that was randomly assigned. T_i is an indicator equal to 1 for individuals who were assigned to the treatment group and 0 for individuals assigned to the control group. β^T is the parameter of the ITT effect on the outcome (Y_i) the number of population members assigned to the treatment population and control population, respectively. X^n is a vector of pre-randomization covariates and β^n is the vector of coefficients on the covariate, X^n . ε is the regression error term. The inclusion of the pre-randomization covariates is intended to improve the precision of the estimates. The initial proposed list of covariates to control for in the model is:

$X_i^1 \dots X_i^{Nn}$: Race, Gender, Age, Number of Prior Custodial Arrests (8/1/2012-7/31/2015), Number of Prior Transient Arrests (8/1/2012-7/31/2015), Number of Prior Non-Custodial Arrests (8/1/2012-7/31/2015), and Entry Type (Contact, Non-Custodial Arrest, Custodial Arrest)

The exact covariates will be finalized after reviewing the historical data for data quality and completeness. In addition, the sample will be evaluated for equivalence between the treatment and control groups on observable pre-randomization variables. Although random assignment is intended to create two equivalent groups, small samples can result in some differences between the groups by chance. Variables that show differences between the two groups at $p=.05$, that is, with at least 95 percent confidence they are different, will be included as covariates in the regressions. The Urban Institute will provide the final regression specification no later than 6/1/2018, approximately 6 months after the latest date at which the evaluation could be fully enrolled.

The TOT estimate will be calculated using an "instrumental variable" estimate (IV).⁹ The IV estimate is a "per-person served" estimate, among those who comply with referral assignment that accounts for the fact that some people referred to SH-SIB may not enroll and some people in the control group may end up receiving services from the SH-SIB. For example, imagine that all study participants can be divided into three types of individuals: 1) those who will always enroll in SH-SIB regardless of whether they are referred to it or not; 2) those who will never enroll in SH-SIB even if they are referred to it; and 3) those who comply with whatever referral assignment they are given, whether it is to enroll in SH-SIB or to remain in the control group. The IV estimate represents the effect of SH-SIB enrollment on study outcomes among this third group, the compliers. In the special circumstance where decisions to comply or not are independent of the study outcomes, the IV estimate also represents the average treatment effect.

Calculation: The IV estimate scales up the ITT estimate by the difference between the treatment and control groups' fractions enrolled in SH-SIB. Conceptually, the Urban Institute will estimate the effect of referring an individual to SH-SIB on enrollment in SH-SIB in exactly the same manner as calculating the ITT above, except that the dependent variable in the model will be enrollment:

$$P_i = \alpha + \delta^T T_i + \sum_{n=1}^N \delta^n X_i^n + \varepsilon_i$$

P_i is 1 if individual, i , actually enrolled in the program regardless of whether they were in the treatment or control group. Enrollment will be defined as the participant having an initial housing lease-up date in SIB housing. T_i is an indicator equal to 1 for individuals who were assigned to the treatment group and 0 for individuals assigned to the control group. δ^T is the parameter of the effect of getting

⁹ Angrist, Joshua D., Guido Imbens, and Donald B. Rubins (1996): "Identification of Causal Effects Using Instrumental Variables." *Journal of the American Statistical Association* 91, 444-72.

randomly assigned into treatment on actual enrollment (P_i). X^n is a vector of pre-randomization covariates and β^n is the vector of coefficients on the covariates, X^n . ε is the regression error term. The IV estimate is the ratio of the two estimates:

$$\text{TOT estimate} = \frac{\beta^T}{\delta^T}$$

In practice, the two equations will be estimated simultaneously using a two-stage least squares (2SLS) estimation procedure. In the first stage, the dependent variable (enrolling in the program, i.e. leasing-up) is regressed on the exogenous covariates plus the instrument (randomization into treatment). In the second stage, fitted values from the first-stage regression are plugged directly into the structural equation in place of the endogenous regressor (enrolling in the program). We will include the same covariates as used in the ITT regression.

Since the payment schedule specifies the payment amount in “per person served” units, the IV estimate will be the basis for the performance-based outcome payments as it represents the per-participant served difference in mean jail days between the treatment and control group, among those who comply with referral assignments.

Determining individuals included in jail day reduction analyses

All individuals who have been randomly assigned to the treatment or control group for at least 3 years prior to the last day of the observation period will be included for the ITT estimate of jail days. For the TOT estimate we will define the treatment group as all individuals who had an initial lease-up date in SIB housing at least 3 years prior to the last day of the observation period. If an individual has been in the defined treatment group for longer than 3 years, we will look at the first 3 years they were in the treatment group as defined for the analyses. Therefore, any individuals enrolled after January 1, 2018 will not be included in the final verification of jail day outcomes.

However, referrals will continue past this point (if and when housing slots are open), since individuals enrolled in the treatment group after that point are still potentially eligible to generate housing stability payments. Based on the housing stability threshold for payment of one year after initial lease-up, any individuals enrolled after January 1, 2020 will not be eligible to generate housing stability payments. At this point, the City will determine whether the referral process should continue (if and when housing slots are open), even though any individuals enrolled after 1/1/20 will not be included in the evaluation outcomes.

The data sources and measures that will be used to calculate reduction in jail days are outlined in table 7. Jail days will be collected from the Denver Sheriff at least every six months as specified in the Urban Institute-Denver Sheriff Department Data Sharing Agreement.

Table 7. Data Sources and Measure for Calculating Reduction in Jail Days

Data Source	Measures
Denver Sheriff Department	<ul style="list-style-type: none">- Unique Research ID- Jail Entry Date- Jail Exit Date- Facility

Jail Day Reductions Early Analysis Check Point

Although jail day reduction outcomes for payment purposes will not be analyzed until the final wind-up period in 2021, UI will provide an early analysis of jail day reduction outcomes at an interim “check point” during the SIB project period.

An early analysis of jail day reduction outcomes will require a minimum sample of 150 randomized individuals, which we assume will be 75 individuals in treatment and 75 in the control group. Further, we will conduct our early analysis after this first group of 75 individuals assigned to the treatment group has been assigned for at least two years, as the evidence from other similar studies have measured jail impacts over at least two years. If the current projected housing timeline is maintained, the SIB will have at least 75 individuals assigned to the treatment group by March 2017, and so two years later, the conditions for the early analysis check point would be met in March 2019, about three years into the study. If the housing timeline is adjusted, we will conduct the early analysis on jail day reduction outcomes whenever the conditions for the check point are met, and will share the early analysis with the City, PFS Lenders and SPV within 6 months of the project meeting the conditions for the check point.

For this early analysis we will caution that, with this relatively small sample size, we will not be looking for any specific effect size or statistical significance at this check point, but rather evidence that there is a difference between the treatment and control groups as expected.

Early Outcomes Termination Process

If the agreement is terminated early, the outcome measurements for payment purposes, if appropriate as specified in the SIB contract, will be calculated in the following ways:

Housing Stability: Outcomes will be measured for all participants meeting the payment requirement prior to the early termination quarter as outlined in the research design and Contract.

Jail Days:

If (i) this Contract is terminated prior to the end of the Project Term due to a Termination Event, ii) at least seventy-five (75) Participants were included as part of the Treatment Group for a period of at least one (1) year, and (iii) at least seventy-five (75) Eligible Referrals were included as part of the Control Group for a period of at least one (1) year, then jail day reduction outcomes will be measured for these individuals' first years following random assignment and analysis will be conducted as described in the research design to determine both an ITT and TOT estimate of the difference in jail days for one year. In this scenario, individuals who have been randomly assigned for less than one year will not be included in the analysis.

If the minimum sample size as described above for a Termination Event is reached and the individuals in the minimum sample have been randomly assigned for at least two years prior to the date of early termination, then jail day reduction outcomes will be measured for these individuals' first two years following random assignment and analysis will be conducted as described in the research design to determine both an ITT and TOT estimate of the difference in jail days for two years. In this scenario, individuals who have been randomly assigned for less than two years will not be included in the analysis.

If the minimum sample size as described above for a Termination Event is reached and the individuals in the minimum sample have been randomly assigned for at least three years prior to the date of early termination, then jail day reduction outcomes will be measured for these individuals' first three years following random assignment and analysis will be conducted as described in the research design to determine both an ITT and TOT estimate of the difference in jail days for three years. In this scenario, individuals who have been randomly assigned for less than three years will not be included in the analysis.

Alternate Analysis Plan for the Trigger Payments

An alternative analysis plan for trigger payments will apply if the difference between the percentage of treatment population members that enroll less the percentage of the control population members that enroll with the service provider is greater than or equal to 0.3. Should the enrollment difference be less than 0.3, then an insufficient enrollment difference will occur. In the event of an insufficient enrollment difference, UI will utilize an alternative approach that replaces the control population with a historical

comparison group using a matching procedure, propensity score matching, to determine the alternative reduction in jail days outcome.

Propensity Score Approach: The propensity score approach will create a comparison group that is as similar as possible to those enrolled in the program in their distribution of observable characteristics. The comparison sample will be pulled from administrative data and meet the targeting criteria for our eligible sample at the time they are pulled. The propensity score is the estimated probability that an individual randomized into treatment is enrolled into the program based on individual characteristics. In the analysis procedure, the individual will be weighted as a function of their propensity score. UI will estimate the propensity score using the treatment sample via the following logistic regression:

$$E_i = g(\alpha + \sum_{k=0}^K \beta_k X_{ik})$$

where E_i is a binary indicator for whether individual i is enrolled in the program; α is the overall intercept; X_{ik} is the k th covariate for the individual i , with associated coefficient β_k and $g()$ is the logistic function. The covariates to be used will be defined by UI as a part of finalizing this methodology. The propensity scores will be checked for balance and overlap. If the propensity scores generate extreme weights, these weights will be trimmed.

UI will estimate the weights using the following methodology. The weight for each individual enrolled in the program will be 1. The weight for each individual, j , in the comparison samples will be:

$$W_j = \frac{1 - \widehat{PS}_j}{\widehat{PS}_j}$$

where \widehat{PS}_i is the estimated propensity score for each individual i .

The propensity score weighted effect will be estimated as:

$$ITT_{PS} = \widehat{Y}_E - \widehat{Y}_{CS}$$

where \widehat{Y}_E and \widehat{Y}_{CS} are estimate by applying the weights to the observed outcomes, Y :

$$\widehat{Y}_E = \frac{\sum_{j=1}^{N_E} Y_j^E}{N^E}$$

$$\widehat{Y}_{CS} = \frac{\sum_{j=1}^{N_{CS}} Y_j^{CS} W_j^{CS}}{\sum_{j=1}^{N_{CS}} W_j^{CS}}$$

N_E and N_{CS} are the number of individuals enrolled in the program and the comparison group, respectively; Y_i^E is the outcome (number of days in jail) for each individual, i , enrolled in the program and Y_j^{CS} is the outcome (number of days in jail) for each individual, j , enrolled in the comparison group; W_j^{CS} is the weight for each individual in the comparison group.

Broader Impact Study

The broader impact study will go beyond the measures used for payment triggers. Annual administrative data (detailed in the Data Access Plan above) will be used to measure the impact of the intervention on jail stays, homelessness, arrests, use of detox and other health services, and Medicaid utilization. These measures directly relate to the intermediate outcomes and final outcomes outlined in the Theory of Change. The broader study will also examine whether outcomes differ for participated housed in scatter-site versus single-site housing. Table 8 outlines the data sources and measures of interest for each outcome by study component. De-identified individual-level data will be linked by a unique research ID to facilitate analysis while maintaining confidentiality.

Table 8. Data Sources and Measures for Other Impacts

	Outcome	Data Source	Measure
Process Study	Housing Stability	MHCD/CCH Program Data	Unique research ID Random assignment date Client location and date Number of client contacts and dates Client housing screen outcome and date Client agreement to housing and date Voucher application outcome and date Housing orientation and date Voucher issuance date Voucher denial date Voucher denial reason Lease-up date Voucher loss reason and date Rent HAP Services Utilization (date, type, dosage, duration)
Outcomes and Impact Study	Jail Days	Denver Sheriff	Unique Research ID Charges Jail Entry Date Jail Exit Date Facility Exit Reason
	Homelessness	Denver HMIS Non-HMIS homeless service providers	Unique Research ID Shelter Entry Date Shelter Exit Date Shelter Type

		(Rescue Mission, St. Francis)	Living situation prior to homelessness Destination Services Received
	Arrests	Denver Police	Unique Research ID Demographics Contact Date Contact Reason Arrest Date Arrest Reason Indicator of Transient Arrest Indicator of Custodial Arrest
	Detox Visits	Denver Health (Denver Cares) HCPF/APCD Databases	Unique Research ID Detox Entry Date Detox Exit Date Detox Admission Reason Detox Exit Destination Services Administered
	Use of Emergency Medical Services	Denver Health HCPF/APCD Databases	Unique Research ID Emergency Room Entry Date Emergency Room Exit Date Emergency Room Admission Reason Emergency Room Services Administered Emergency Room Exit Status
	Medicaid Utilization	HCPF/APCD Databases	Unique Research ID Medicaid Enrollment Claim Data for Services: Date of Visit, Type of Visit

Analysis Methods for Broader Impact Study

Similar to the trigger payments estimation, the broader impact study will use both ITT and TOT methods to estimate the impacts of the program. For the ITT estimate, we will calculate both the straightforward difference in means described above and use a regression-based method that controls for measured characteristics, in order to control for sampling variation which can lead to differences in the characteristics of members in each group, particularly in smaller samples.

We will use an instrumental variables (IV) approach to calculate the TOT for the broader impact study.¹⁰ In this approach, as described previously for jail day reduction estimates, randomization into the treatment group is used as an instrument for actual treatment to remove some of the bias caused by selection into take-up. We will include the same covariates as used in the ITT regression. We will evaluate this model using multiple different definitions of treatment including lease-up, engaged in services and leased up for 6 months, engaged in services and leased up for 12 months.

¹⁰ Angrist, Joshua D., Guido Imbens, and Donald B. Rubins (1996): "Identification of Causal Effects Using Instrumental Variables." *Journal of the American Statistical Association* 91, 444-72.

In Table 9, we show minimum detectable effect sizes for possible outcomes of a binomial variable with 80 percent power in a two-tail test at the traditional .05 significance level. The effect size puts differences in outcomes in percentage terms. From the earlier equations, the percent difference ITT estimate will be calculated as $\frac{\pi_Y}{Y_C}$. As can be seen, the current design can be expected to allow us to detect effect sizes of 25 percent at the .05 significance level, which the literature suggests is reasonable to expect for reduced jail time. Should program take-up be an issue, as we expect it may be, the effect size needed among the treated group in program housing will increase, since we assume the effect for those in the treatment group who don't take up housing will be zero. The effect sizes listed for the TOT in the last column of table 9 come from a Bloom¹¹ adjustment to the ITT estimate, a conservative approximation of the IV estimates of the TOT, as described earlier. The estimates in table 9 are conservative for both the ITT and TOT as they do not reflect regression-based estimates. Regressions in the ITT and in the IV equation should improve the precision of our estimates, allowing us to identify smaller effects.

Table 9. Minimum Detectable Effect Sizes

Control Group	Treatment Group	Number Treated	Take Up	Effect Size for ITT	Effect Size for Treated (TOT)
250	250	250	100%	0.25	0.25
333	333	250	75%	0.22	0.29
417	417	250	60%	0.19	0.32
500	500	250	50%	0.18	0.36
581	581	250	43%	0.16	0.37
676	676	250	37%	0.15	0.41

Housing Type Analysis

In addition to conducting an impact analysis on the broader outcomes, we will explore how outcomes differ by housing type (scatter-site or single-site). Since the evaluation will not randomly assign individuals within the treatment group to one of the two types of housing, the results of this comparison will not be causal. Without randomization, certain types of individual may be more likely to end up in one housing type than the other. We will not be able to determine whether the difference in the

¹¹ Bloom, Howard S. (1984) "Accounting for No-shows in Experimental Evaluation Designs." *Evaluation Review* 8, 225-246.

outcomes across the two types of housing reflects differential effects by housing type or reflects differences in the individuals placed in each type. We will, however, be able to control for some of the observable differences in types of individuals placed in each housing type. We believe these observable differences will be driven largely by consumer preference, eligibility for the housing type, and the timing of randomization and housing availability. We will use regression analysis to estimate the difference in outcomes between the two types of housing, controlling for these factors as much as possible. To conduct this analysis, we will collect information in the service provider engagement dashboard on whether participants exercise choice in housing type, are placed in a housing type based on individual characteristics that affect housing type eligibility, such as chronic homelessness or sex offender status, and the type of housing available at each participant's time of randomization. This analysis will be conducted during the final wind-up period and reported along with final outcomes.

Data Security and Ownership

Data Security

Data will be provided via Secure File Transfer Protocol (SFTP) with password protection. This is the ONLY acceptable method of providing data. The following methods are UNACCEPTABLE: Plain text email, USPS with unencrypted CD-ROM, UNSECURE File Transfer Protocol (FTP), and all other methods that are not mentioned above.

UI Staff will use PGP software to encrypt the administrative data file and password-protect the hard drive. If we need to make backup copies of restricted data files, we will encrypt the files before the backup takes place. All restricted data and extracts will be encrypted. All backups of data onto CDs/DVDs will be stored in a locked file cabinet in the researcher's office. Only research staff who has signed confidentiality pledges will be allowed to access the data.

We will treat all data derived from restricted data in the same manner as the original restricted data. Data derived from restricted data include, but are not limited to, subsets of cases or variables from the original restricted data; numerical or other transformations of one or more variables from the original restricted data; and new variables constructed from the original data.

Data Ownership

Urban will have full ownership of all data we collect for this study. We are bound by IRB-approved standards of confidentiality and will not be able to turn over raw data to the City of Denver, SPV, investors, or any other stakeholders. In the event any of these entities requests an audit of the data to verify the outcomes reported by Urban, the requesting entity may select and fully pay for a qualified independent researcher to travel to Urban and conduct an audit of the data needed to verify the outcomes tied to the SIB payment triggers. The qualified independent researcher must sign the confidentiality pledge signed by all on the research team and would operate under the same IRB standards of confidentiality as the research team. The qualified independent researcher would only have access to the data outlined in table 11 below for the purposes of verifying the outcomes tied to the SIB payment triggers:

Table 11. Data for Outcome Verification for SIB Payment Triggers

Data Source	Measures
MHCD/CCH Program Data	<ul style="list-style-type: none">- Unique research ID- Random assignment date- Client housing screen outcome and date- Client agreement to housing and date- Voucher application outcome and date- Voucher issuance date- Voucher denial date- Voucher denial reason- Lease-up date- Voucher loss reason and date
Denver Sheriff	<ul style="list-style-type: none">- Unique Research ID- Jail Entry Date- Jail Exit Date- Facility

In the event that Urban's role as the independent evaluator is terminated, and a new independent evaluator is selected, new data sharing agreements must be negotiated between the new independent evaluator and each of the agencies from which data was collected before Urban can turn over any data to the new independent evaluator. It will be incumbent on the new independent evaluator to ensure any necessary confidentiality and data security protocols are in place such that new data sharing agreements can be signed with each administrative data agency that allow Urban to turn over any data already collected to the new independent evaluator.

Reporting & Findings

Final reports and findings will be presented in aggregate form only. No data will be presented in such a way that individuals could be identified. Frequencies and cross-tabulations will be sufficiently aggregated to protect individuals from identification through unique combinations of sensitive information and geographic identifiers. We may impose other restrictions based on our assessment of the data.

Destruction of Data

All data maintained online in the randomization tool database will be cleared within a month of completing random assignment. All data will be destroyed by June 2022, or two years after the final project windup. The Urban Institute will use PGP data encryption software to permanently destroy all datasets in a way that renders them unreadable.

Project Monitoring and Outcomes Reports

Project Monitoring

For project monitoring purposes, UI will maintain a biweekly engagement dashboard (Attachment A) and monthly pipeline dashboard (Attachment B). Data for these dashboards will be collected at least biweekly from CCH and MHCD as specified in Data Sharing Agreements with each service provider. The biweekly engagement dashboard will track individual-level data on participant engagement and enrollment in the program to be used by the service providers and Urban Institute to manage the randomization timeline and address any implementation challenges. Data from the engagement dashboard will be aggregated into a monthly pipeline dashboard that UI will share with the City and SPV. The process for project monitoring will follow the schedule outlined in table 12 below.

Table 12. Project Monitoring Reports

Report Name	Frequency and Distribution	Description	Source
Engagement Dashboard	Biweekly—data dashboard due to UI on 15 th and 30 th of each month	Individual-level data of client engagement and enrollment	CCH, MHCD
Pipeline Dashboard	Monthly—data dashboard due to the City on 15 th of each month	Aggregate number of referrals, assignments, housing outcomes	UI

Outcome Reports

UI will submit outcome reports on housing stability starting in quarter 7 and continuing every 6 months (although payments will only be made annually) thereafter as indicated in the table below through the evaluation project wind up in quarter 22. UI will conduct the outcome measurements on jail days for final payment purposes in the evaluation project wind up in quarter 22. Outcome reports (Attachment C) will be delivered to the City and SPV by the 15th of the last month of the quarter, as outlined in table 13 below.

NOTE: Urban's ability to produce the report on time is dependent upon receiving proper information from providers and the Sheriff's Department. To the extent there are delays, Urban may request reasonable extensions. Payment dates will be adjusted accordingly.

Table 13. Outcome Reports

Project and Payment Quarter	Outcome Report Delivered	Quarter Ending	Period of Project Under Evaluation, Housing Stability	Housing Stability Outcomes Observed Through	Period of Project Under Evaluation, Jail Days	Jail Days Outcomes Observed Through
7	9/15/17	9/30/17	Q1-6	6/30/17		
9	3/15/18	3/31/18	Q1-8	12/31/17		
11	9/15/18	9/30/18	Q1-10	6/30/18		
13	3/15/19	3/31/19	Q1-12	12/31/18	Q1-12*	12/31/18*
15	9/15/19	9/30/19	Q1-14	6/30/19		
17	3/15/20	3/31/20	Q1-16	12/31/19		
19	9/15/20	9/30/20	Q1-18	6/30/20		
22	5/15/21	6/30/21	Q1-20	12/31/20	Q1-20	12/31/20

*This report will be an initial analysis of jail day outcomes for an early cohort of participants and will not be used for payment purposes. These are approximate dates for the report, but analysis will only be conducted when conditions for the check point are met, as described on pages 26-27.

Attachment A. Biweekly Engagement Dashboard

ID	RA Date	Located	Date First Located	Number of Contacts	Date of Last Contact	Date of Last Attempt to Engage
Unique research identifier	Random assignment date	Client was located (Y/N)?	Date first contact with CCH/MHCD	Number of contacts with the client prior to agreement to housing	Date of last contact prior to agreement to housing	Date of last attempt to contact prior to agreement to housing

Passed Housing Screen	Date of Housing Screen	Agreed to Housing	Date Agreed to Housing	Packet Approved	Date of Packet Approval	Case Manager
Client passed SIB eligibility housing screen (Y-Chronic, Y-SIB definition, No)?	Date client passed housing screen	Agreed to housing (Y/N)?	Date client agreed to housing	Voucher application approved (Y/N)?	Date of voucher application approval	Name of case manager

Housing Orientation	Date of Orientation	Housing Lease Up	Housing Subsidy Source	Date of Lease Up	Housing Type Assignment	Housing Type Reason
Housing orientation completed (Y/N)?	Date housing orientation completed	Housing lease up outcome: Yes, No-Still Looking, No-Voucher Expire, No-Lost Voucher, No-Other?	Housing subsidy source: SIB subsidy, CoC voucher, DHA voucher, CDOH voucher	Date of housing lease up	Single-site or scatter-site?	Is there any specific reason the individual was placed in the housing type (choice, sex offender status, other eligibility issue, etc.?)

Clinical Intake	Date of Intake	Planned Housing Exit	Date of Planned Housing Exit	Unplanned Housing Exit	Date of Unplanned Housing Exit
Clinical intake completed (Y/N)?	Date clinical intake completed	Exited housing for: other permanent housing, residential treatment, prior offense incarceration, death? Leave blank if no exit.	Date of planned housing exit	Exited housing for: voluntary voucher loss, lease violation voucher loss, other voucher loss? Leave blank if no exit.	Date of unplanned housing exit

Attachment B. Monthly Pipeline Dashboard

	Total	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Referrals								
Total on Eligibility List								
Eligible Individuals Identified								
<i>Arrest</i>								
<i>Police Contact</i>								
<i>Jail</i>								
Eligible Individuals Randomized								
Control								
Treatment								
# Not Found								
# Found								
<i>Failed Housing Screen</i>								
<i>Passed Housing Screen</i>								
<i>Agreed to Housing</i>								
<i>Refused Program</i>								
<i>Found Ineligible for Voucher</i>								
Housing								
# Available Slots								
# Issued Voucher								
# Not Leased Up								
<i>Still Looking for Housing</i>								
<i>Voucher Expired</i>								
<i>Lost Voucher</i>								
<i>Other</i>								
# Leased Up								
# Exited Housing								
Planned Exit Event								
<i>Other Permanent Housing</i>								
<i>Residential Treatment/Other</i>								
<i>Care</i>								
<i>Prior Offense Incarceration</i>								
<i>Death</i>								
Unplanned Exit Event								
<i>Lost Voucher- Voluntary</i>								
<i>Lost Voucher- Lease Violation</i>								
<i>Lost Voucher- Incarceration</i>								
<i>Lost Voucher- Other</i>								

Attachment C. Quarterly Housing Stability Outcomes Report

Period under evaluation: Q1-7 (outcomes observed through 9/30/17)					Period under evaluation: Q1-9 (outcomes observed through 3/31/18)					Period under evaluation: Q1-11 (outcomes observed through 9/30/18)				
	Housing Type			Race				Housing Type			Race			
	All	Scattered Site	Single Site	B	W	H	O	All	Scattered Site	Single Site	B	W	H	O
Number of participants meeting payment requirement														
Number of participants maintaining voucher for 365 days														
Number of participants with planned exit event														
Total days in housing for participants meeting payment requirement														
Total days in jail for participants meeting payment requirements														
Total adjusted days in housing for participants meeting payment requirement														
Total new adjusted days in housing for participants meeting payment requirement														

Attachment D. Early Analysis Check Point and Final Wind Up Jail Days Outcomes Report

Period under evaluation: Project Quarters 1-20 (outcomes observed through 12/31/20)							
	Housing Type			Race			
	All	Scattered Site	Single Site	Black	White	Hisp.	Other
Number of participants assigned to treatment group for at least 3 years (2 years for early analysis check point)							
Total days in jail							
Average days in jail							
Number of participants assigned to control group for at least 3 years (2 years for early analysis check point)							
Total days in jail							
Average days in jail							
Difference in total jail days							
Difference in average jail days							

Attachment E. SIB Housing Screen

Client SIB ID:

Date of Screen:

Instructions: Start with Question 1 and follow the instructions. If you reach a question where the answer is identified as **ELIGIBLE**, circle the eligible answer. The participant is eligible and the screen is complete.

If you reach a question where the answer is identified as **NOT ELIGIBLE**, circle the not eligible question. The participant is not eligible. **Continue** asking the next question and follow the instructions until you reach another question where the answer is ELIGIBLE or NOT ELIGIBLE. Circle this answer- the screen is complete.

If the individual meets the HUD definition of chronically homeless, also complete the **Chronic Homelessness Qualification Checklist**.

1. Where are you currently living?

- ☐ Apartment/House/Room where the individual has a lease, occupancy agreement, or own -- **GO TO QUESTION 2**
- ☐ With Friend/Family -- **GO TO QUESTION 3**
- ☐ Motel/Hotel – **GO TO QUESTION 3**
- ☐ Hospital, Rehabilitation Center, Drug Treatment Center, Jail, Other Temporary Institution – **GO TO QUESTION 8**
- ☐ Transitional housing – **ELIGIBLE (CORE DEFINITION)**
- ☐ Emergency Shelter --**ELIGIBLE (CORE DEFINITION)**
- ☐ Anywhere outside (e.g., street, vehicle, abandoned building) – **ELIGIBLE (CORE DEFINITION)**

2. Are you trying to leave a domestic violence situation?

- ☐ No -- **NOT ELIGIBLE**
- ☐ Yes -- **GO TO QUESTION 4 (FLEEING DOMESTIC VIOLENCE)**

3. Will you be able to stay here or somewhere else for the next 2 weeks?

- ☐ No -- **GO TO QUESTION 4**
- ☐ Yes -- **GO TO QUESTION 5**

4. Do you know where you will stay when you leave your current situation?

- ☐ No -- **ELIGIBLE (IMMINENTLY LOSING PRIMARY NIGHTTIME RESIDENCE)**
- ☐ Yes -- **GO TO QUESTION 5**

5. Are you 24 years of age or younger or a family with children and/or youth?

- ☐ No -- **NOT ELIGIBLE**
- ☐ Yes -- **GO TO QUESTION 6**

6. Have you had your own lease, occupancy agreement, or owned a home in the last 2 months?

- ☐ No -- **GO TO QUESTION 7**
- ☐ Yes -- **NOT ELIGIBLE**

7. How many times have you moved in the last 2 months?

- ☐ Less than two times -- **NOT ELIGIBLE**
- ☐ Two or more times -- **ELIGIBLE (PERSISTENT HOUSING INSTABILITY)**

8. How long have you been in the hospital/rehabilitation center/drug treatment center/jail/other temporary institution? (Note: if individual in multiple institutional settings in a row, add total time)

- ☐ 3 Months or Less -- **GO TO QUESTION 9**
- ☐ More than 3 Months -- **NOT ELIGIBLE**

9. Where were you staying right before you went to the hospital/rehabilitation center/drug treatment center/jail/other temporary institution? (Note: if individual in multiple institutional settings in a row, determine situation prior to first institutional setting)

- ☐ Apartment/House/Room where the individual has a lease, occupancy agreement, or owned -- **NOT ELIGIBLE**
- ☐ With Friend/Family -- **NOT ELIGIBLE**
- ☐ Motel/Hotel – **NOT ELIGIBLE**
- ☐ Transitional housing – **NOT ELIGIBLE**
- ☐ Emergency Shelter --**ELIGIBLE (CORE DEFINITION)**
- ☐ Anywhere outside (e.g., street, vehicle, abandoned building) – **ELIGIBLE (CORE DEFINITION)**

****Complete Questions 10-13 for any individual who answered Question 9, even if not eligible****

10. Will you be able to stay there or somewhere else for the next 2 weeks?

- ☐ No -- **GO TO QUESTION 11**
- ☐ Yes -- **GO TO QUESTION 12**

11. Do you know where you will stay when you leave your current situation?

- ☐ No -- **ELIGIBLE (IMMINENTLY LOSING PRIMARY NIGHTTIME RESIDENCE)**
- ☐ Yes -- **GO TO QUESTION 12**

12. Have you had your own lease, occupancy agreement, or owned a home in the last 2 months?

- ☐ No -- **GO TO QUESTION 13**
- ☐ Yes -- **NOT ELIGIBLE**

13. How many times have you moved in the last 2 months?

- ☐ Less than two times -- **NOT ELIGIBLE**
- ☐ Two or more times -- **ELIGIBLE (PERSISTENT HOUSING INSTABILITY)**

Attachment F. Chronic Homelessness Screen

Client Name: _____

HUD defines a Chronically Homeless person as: an unaccompanied homeless person (a single homeless person who is alone and is not part of a homeless family and not accompanied by children).

Part I. Disabling Condition (*Check appropriate box(es)*):

- ☐ A diagnosable substance abuse disorder
- ☐ A serious mental illness
- ☐ A developmental disability
- ☐ A chronic physical illness or disability, including the co-occurrence of two or more of these conditions.

Acceptable forms for documenting a person's disability status are as follows and must be completed by a knowledgeable professional: (*One of the following must be obtained*)

- ☐ Med-9
- ☐ SSDI/SSI/TPQY Statement (within 45 Days of paperwork submitted)
- ☐ Signed Disability Verification Form
- ☐ Signed Letter (on Letterhead) from social service agency confirming disability
- ☐ Hospital Record stating disability or mental health diagnosis

Part II. Literally Homeless Status (*Check ONE*):

- _____ is living in a place not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street).
VERIFICATION: Statement of situation and signature of current service provider.
- _____ is staying at an emergency shelter for homeless persons or safe haven.
VERIFICATION: Statement of situation and signature of shelter staff.
- _____ is in rapid re-housing or supportive housing for homeless persons who was originally chronically homeless and came from the streets or emergency shelters; and/or in any of the above places but is spending a short time (up to 90 consecutive days) in a hospital or other institution.
VERIFICATION: Statement of situation and signature of rapid re-housing/ supportive housing staff.
- _____ is exiting an institution where they resided for 90 days or less AND were residing in emergency shelter or place not meant for human habitation immediately before entering institution.
- _____ is an individual fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life threatening conditions related to violence, who have no identified subsequent residence; AND lack the resources and support networks needed to obtain other permanent housing.

Part III. *Chronically Homeless Status (Check ONE):*

☐ The individual has been continuously homeless for a year or more.

☐ The individual has had four (4) episodes of homelessness in the last three (3) years that total at least 12 months (3 months self-report; 9 months 3rd Party Verification)

Part II or III is supported by Third Party Certification, which includes dates and locations of homelessness, from one or more of the following: *Check ALL that apply.* This third party or narrative verification should include dates and locations of episodes of homelessness. Verification Levels should be attempted in order from I through 4. Narrative should include date(s) attempted for third party verification and date(s) completed as appropriate.

First Level of Verification

- ☐ Signed Third Party letter (s) on agency letterhead from a shelter worker, homeless service provider, outreach worker, other healthcare or human service provider attesting to homelessness. Print outs from HMIS database documenting episode(s) of homelessness can be used with written narrative explaining such.

Second Level of Verification

- ☐ Signed written documentation on agency letterhead by Intake Worker of phone/in person/email conversations with a shelter worker, homeless service provider, outreach worker, other healthcare or human service provider attesting to homelessness. Print outs from HMIS database documenting episode(s) of homelessness can be used with written narrative explaining such.

Third Level of Verification

- ☐ Signed written documentation on agency letterhead by Intake Worker of their observations of the client's housing history attesting to homelessness. Housing history should include length of stay at each place during the past 4 years if possible. Print outs from HMIS database documenting episode(s) of homelessness can be used with written narrative explaining such.

Fourth Level of Verification

- ☐ Signed & notarized written documentation by client of their homelessness status along with a housing history showing episode(s) of homelessness during the past 4 years.

Staff Name: _____ Staff Title: _____

Organization: _____

Signature: _____ Date: _____

Instructions: This Homelessness History Summary provides a suggested timeline to be used by individuals who receive funds for programs targeted to chronically homeless persons. It may be used to analyze whether or not the chronology of a homeless person’s history meets the time frame for the definition of chronic homelessness.

Client Name:

Time Period	Whereabouts	Documented?

EXHIBIT C: Funding Plan and Project Budget

Project Budget

Project Budget							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
CCH	\$ 801,351	\$ 1,671,275	\$ 1,114,600	\$ 1,145,882	\$ 1,156,185	\$ -	\$ 5,889,293
MHCD	\$ -	\$ 566,178	\$ 434,421	\$ 334,961	\$ 267,842	\$ -	\$ 1,603,402
SPV Set-Up	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,000
Legal -- Lender	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Legal -- Transaction	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Program Manager	\$ 135,000	\$ 135,000	\$ 135,000	\$ 100,000	\$ 100,000	\$ -	\$ 605,000
Consulting	\$ 30,000	\$ 30,000	\$ 30,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 150,000
Capacity building	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Fiscal Agent	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 10,000	\$ 110,000
Audit	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 60,000
Fees	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ -	\$ 8,000
Validator	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000
Wind-dwn cont. adj.	\$ 559,363	\$ 172,108	\$ 17,044	\$ 14,204	\$ 356,007	\$ -	\$ -
TOTAL	\$ 1,751,314	\$ 2,264,945	\$ 1,731,576	\$ 1,621,239	\$ 1,222,620	\$ 43,000	\$ 8,634,695

Lender Disbursement Schedule

The commitment of the Lenders listed in the Lender Disbursement Schedule below to fund loans in the amounts and at the times set forth in such Lender Disbursement Schedule is subject to board or credit approval by each Lender and is subject to final loan documentation that is satisfactory to the Lenders and their counsel and the SPV and its counsel, as determined by the Lenders and the SPV, as applicable, in their sole discretion.

Lender Disbursement Schedule								
	Laura and John Arnold Foundation	The Colorado Health Foundation	The Denver Foundation	Living Cities Blended Catalyst Fund	Nonprofit Finance Fund	Northern Trust	The Piton Foundation	The Ben and Lucy Ana Fund at the Walton Family Foundation
Q1	\$ 673,776							
Q3	\$ -	\$ 30,850	\$ 46,111	\$ 15,425	\$ 13,410	\$ 276,668	\$ 46,111	\$ 30,850
Q4		\$ 59,874	\$ 55,300	\$ 29,937	\$ 26,027	\$ 331,801	\$ 55,300	\$ 59,874
Q5	\$ 37,708	\$ 98,585	\$ 35,280	\$ 49,292	\$ 42,854	\$ 211,680	\$ 35,280	\$ 98,585
Q6	\$ 37,708	\$ 98,585	\$ 35,280	\$ 49,292	\$ 42,854	\$ 211,680	\$ 35,280	\$ 98,585
Q7	\$ 37,708	\$ 98,585	\$ 35,280	\$ 49,292	\$ 42,854	\$ 211,680	\$ 35,280	\$ 98,585
Q8	\$ 3,823	\$ 78,653	\$ 25,314	\$ 39,326	\$ 34,190	\$ 151,883	\$ 25,314	\$ 78,653
Q9	\$ 86,067	\$ 50,628	\$ 25,314	\$ 25,314	\$ 22,008	\$ 151,883	\$ 25,314	\$ 50,628
Q10	\$ 86,067	\$ 50,628	\$ 25,314	\$ 25,314	\$ 22,008	\$ 151,883	\$ 25,314	\$ 50,628
Q11	\$ 86,067	\$ 50,628	\$ 25,314	\$ 25,314	\$ 22,008	\$ 151,883	\$ 25,314	\$ 50,628
Q12	\$ 82,711	\$ 48,654	\$ 24,327	\$ 24,327	\$ 21,150	\$ 145,961	\$ 24,327	\$ 48,654
Q13	\$ 80,497	\$ 47,351	\$ 23,675	\$ 23,675	\$ 20,583	\$ 142,053	\$ 23,675	\$ 47,351
Q14	\$ 80,497	\$ 47,351	\$ 23,675	\$ 23,675	\$ 20,583	\$ 142,053	\$ 23,675	\$ 47,351
Q15	\$ 80,497	\$ 47,351	\$ 23,675	\$ 23,675	\$ 20,583	\$ 142,053	\$ 23,675	\$ 47,351
Q16	\$ 77,700	\$ 45,706	\$ 22,853	\$ 22,853	\$ 19,868	\$ 137,118	\$ 22,853	\$ 45,706
Q17	\$ 79,817	\$ 46,951	\$ 23,475	\$ 23,475	\$ 20,409	\$ 140,853	\$ 23,475	\$ 46,951
Q18	\$ 79,817	\$ 46,951	\$ 23,475	\$ 23,475	\$ 20,409	\$ 140,853	\$ 23,475	\$ 46,951
Q19	\$ 79,817	\$ 46,951	\$ 23,475	\$ 23,475	\$ 20,409	\$ 140,853	\$ 23,475	\$ 46,951
Q20	\$ 9,726	\$ 5,721	\$ 2,861	\$ 2,861	\$ 2,487	\$ 17,163	\$ 2,861	\$ 5,721

SPV Operating Account Balance

SPV Operating Account End of Quarter Cash Balance							
Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
\$261,588	\$5,098	\$207,938	\$559,541	\$561,801	\$565,662	\$569,524	\$388,279
Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16
\$390,475	\$394,271	\$398,069	\$371,824	\$374,014	\$377,804	\$381,595	\$358,185
Q17	Q18	Q19	Q20	Q21	Q22		
\$371,119	\$385,658	\$400,203	\$45,746	\$22,746	\$2,746		

EXHIBIT D-1: Urban Institute Scope of Work

The Urban Institute agrees to the following scope of work and specifics included in **Exhibit B** of the Social Impact Bond Contract, the **Evaluation Design**.

I. Task 1: Referral and Randomization—Management & Coordination

- a. Based upon the eligibility criteria established in the Research Design and in accordance the Social Impact Bond Contract between the City and SPV (the “Social Impact Bond Contract”) in coordination with the City of Denver (“City”)—including the Denver Police Department, the Denver PFS, LLC (i.e, Social Impact Bond Special Purpose Vehicle (“SPV”)), and Colorado Coalition for the Homeless (“CCH”) and the Mental Health Center of Denver (“MHCD), the Urban Institute (“Urban”) will:
 - i. Establish a list of eligible participants for the Social Impact Bond initiative;
 - ii. Lead and coordinate a randomization process needed to identify the proper number of individuals needed to fulfill the Research Design;
 - iii. Lead and coordinate a referral and hand-off process for those individuals identified as the group receiving treatment;
 - iv. Facilitate a housing screen that will screen out individuals who are not considered homeless according to the Research Design;
 - v. Support a Release of Information process for those participants receiving treatment; and
 - vi. Lead and coordinate ongoing updates to the PFS eligibility list and randomize individuals in accordance with Service Provider needs.
- b. As a part of this task, Urban will work with all program partners to address ongoing challenges and referral and enrollment difficulties, including but not limited to:
 - i. Attending operating committee meetings and governance committee meetings as outlined in the Social Impact Bond Contract;
 - ii. Providing ongoing and timely support to City, SPV, and Provider staff involved with the project; and
 - iii. Generating proposals for improving processes to ensure adequate referral and enrollment levels are met.

II. Task 2: Process Study—Data Collection

- a. Key process-related information is necessary to manage implementation, including the housing and referral pipeline, and to make mid-course corrections to keep the initiative on track to achieve long-term outcomes. Process information will also help interpret the results of the impact evaluation based on documentation of the program model and participant engagement. To collect data and conduct the process study, Urban will:
 - i. Manage an engagement dashboard;
 - ii. Manage a housing enrollment pipeline;
 - iii. Conduct annual site visits and key respondent interviews with service providers and other important stakeholders; and
 - iv. Review program-related documents such as training manuals, standard operating procedures, or other descriptions of program components.

III. Task 3: Impact Study—Data Collection

- a. In accordance with the Social Impact Bond Contract, Urban will collect and certify the validity of the data and calculations used to inform Success Payment. Specifically, Urban will:
 - i. Collect and validate Service Provider data on participant exits from housing and measure days spent in housing; and
 - ii. Collect and validate Denver Sheriff Department data on jail days and measure the impact of the Program on the target population's jail days.
- b. In addition to the measures outlined in the Social Impact Bond Contract, Urban will collect and certify the validity of the data and calculations used to measure additional outcomes. These outcomes include, but are not limited to:
 - i. Whether outcomes differ for participants housed in scatter-site versus single-site units;
 - ii. Police contacts and continued criminal justice involvement;
 - iii. Healthcare utilization and costs (e.g. Detox and emergency room utilization); and
 - iv. Homelessness system utilization and costs.
- c. In the event of an early termination of the Social Impact Bond Contract, Urban will collect and certify the validity of the data and calculations used to inform the early success payments as outlined in the Social Impact Bond Contract and Research Design. Additionally, Urban will work with the City to determine what additional reports and outcomes can be documented at the point of early termination.
- d. In the event that that an insufficient enrollment difference exists as defined in the Research Design, Urban will collect and certify the validity of the data and calculations used to inform Success Payments in accordance with the Alternate Analysis Plan for Triggers Payments outlined in the Research Design.

IV. Task 4: Reporting and Dissemination

- a. Urban will provide timely and comprehensive reports as outlined in the Research Design and as required under the Social Impact Bond Contract between the City and SPV to the City, SPV, Providers, and Lenders. Lenders to receive reports are those lenders that have a Lender Agreement with the SPV for the PFS project.
- b. For project monitoring purposes, Urban will maintain a biweekly engagement dashboard and monthly pipeline dashboard as outlined in the Evaluation Design. Data for these dashboards will be collected at least biweekly from the Service Providers. The biweekly engagement dashboard will track individual-level data on participant engagement and enrollment in the program to be used by the service providers and Urban to manage the randomization timeline and address any implementation challenges. Data from the engagement dashboard will be aggregated into a monthly pipeline dashboard that Urban will share with the City, SPV, Providers, and Lenders.

The process for project monitoring will follow the schedule outlined in the Research Design.

- c. Urban will conduct the outcome measurements on housing stability for interim payment purposes and submit outcome reports starting in quarter 7 and continuing every 12 months thereafter as indicated in the Evaluation Design through the evaluation project wind up in quarter 22. Urban will conduct the outcome measurements on jail days for final payment purposes and submit the outcome report in the evaluation project wind up in quarter 22. Outcome reports will be delivered to the City, SPV, Providers, and Lenders as outlined in the Research Design and Social Impact Bond Contract. In furtherance of this task, Urban will calculate Housing Stability Success Payments and Jail Day Reductions Success Payments and prepare the related certifications as described under the Pay for Success Contract.
- d. In the event the City, SPV or Lenders dispute any of Urban's calculations and certifications described above, Urban shall attempt to cooperate in the resolution of such dispute in accordance with Section 4.2 of the Pay for Success Contract.
- e. At the conclusion of the evaluation or in the event of early termination of the Social Impact Bond Contract, Urban will provide the City with an evaluation report that captures an overview of the evaluation, key findings, and outcomes—including but not limited to:
 - i. Methodology used to evaluate the Social Impact Bond program;
 - ii. Process study findings and recommendations; and
 - iii. Impact study data (aggregate), outcomes, findings, and recommendations.
- f. Upon termination of the PFS initiative, Urban will return to the City and the SPV, and provide an irrevocable license to the City and the SPV to use, all of the data, reports, analyses, work products and intellectual property provided or acquired by Urban in connection with the PFS initiative, except for confidential information regarding any program participant, in a format specified by the City and the SPV.

EXHIBIT D-2: Project Manager Agreement Scope of Work

Exhibit A

Services

A. PROJECT OVERSIGHT AND ADVISORY SERVICES

1. Monitor the day-to-day operations of the Project
2. Support provider performance to ensure housing and services adhere to evidence-based practice
 - a) Provide ongoing technical assistance around the CSH Dimensions of Quality Supportive Housing, including the Housing First philosophy
 - b) Provide expert advice that raises the quality of permanent supportive housing in Denver
3. Support provider ability to maximize Medicaid billing
 - a) Provide ongoing technical assistance
 - b) Coordinate with relevant stakeholders to inform policy decisions
4. Support providers to ensure housing placements
 - a) Work collaboratively with City and State housing agencies, the Continuum of Care, Denver's Road Home and other stakeholders to identify and resolve any obstacles to accessing and utilizing housing vouchers
 - b) Identify and resolve any obstacles to on-time lease up of new construction buildings
5. Review Provider reports; ensure such reports are timely and complete
6. Identify Project implementation challenges and work with Social Impact Bond Contract parties and other Project stakeholders to facilitate Project adjustments in the interest of improving service delivery and efficiency of the Project

B. STAFF THE OPERATING COMMITTEE

1. Serve as a member of the Operating Committee
2. Staff the Operating Committee, which includes:
 - a) Scheduling meetings
 - b) Raising agenda items and facilitating group discussions
 - c) Preparing and circulating all meeting materials including: agenda, minutes, evaluator's reports, provider updates, financial reports, etc.
 - d) Coordinate and manage membership
3. Liaison to any additional consultant services provided to the Project

C. STAFF THE GOVERNANCE COMMITTEE

1. Serve as a member of the Governance Committee, with particular attention to:
 - a) Determine if program launch conditions have been met
2. Staff the Governance Committee, which includes:
 - a) Scheduling meetings (2x month in first 6 months)
 - b) Raising agenda items and facilitating group discussions;
 - c) Preparing and circulating all meeting materials including: agenda, minutes, evaluator's reports, provider reports, financial reports, etc.)
 - d) Coordinate and manage membership
3. Liaison to any additional consultant services provided to the Project

D. INVESTOR RELATIONSHIPS

1. Provide any required notices to Lenders under the Social Impact Bond Contract and under the Loan Documents

E. COMMUNICATION WITH ALL PARTIES

1. Advising of any events of default by Service Provider
2. Act as central point of contact for all media inquiries, requests for information
3. Assist all parties with communications per the communications protocol

EXHIBIT D-3: Fiscal Services Agreement Scope of Work

Exhibit A

Services

A. FINANCIAL MANAGEMENT

1. Establish and maintain SPV Operating Account
2. Develop the accounting and financial procedures regarding administration of SPV Operating Account.
3. Develop the following policies and procedures:
 - (a) Daily transaction procedures for cash management, cash receipts, and cash disbursements;
 - (b) Financial reporting, including but not limited to financial statements, cash flow, and budget to actual analysis;
 - (c) Compliance with Loan Documents and all applicable provisions of Social Impact Bond Contract.
4. Receive disbursements from Lenders (according to draw schedule set forth under Social Impact Bond Contract)
5. Make interest payments and outcome payments (if any) to Lenders
6. Pay fees and expenses on behalf of the SPV
 - o Prepare checks or ACHs for the payment of Total Project Costs and fees as described in the PFS Contract and prepare wire transfer instructions for the authorization of the payment amounts owed under the loan documents, in each case for the signature or authorization of the SPV.

B. FINANCIAL REPORTING

1. Maintain all financial records as required under Social Impact Bond Contract and as required under the Loan Documents.
2. Prepare quarterly account reconciliations of actual expenditures to the anticipated expenditures set forth under Section 5.03 of the Social Impact Bond Contract.
3. Retain and oversee external auditors to prepare for any audits of SPV and to prepare any audited financial statements required during the Term and oversee the preparation of and provide, when due, to the appropriate entity the financial audits required by the Project;
4. Oversee the preparation of quarterly financial statements, due within forty-five (45) days following the end of each quarter, annual audited financial statements within

one hundred fifty (150) days of the end of each fiscal year;

5. Provide access to all financial records maintained on behalf of SPV to any Lenders and the City in accordance with the Social Impact Bond Contract and the Loan Documents and to CSH in accordance with the SPV's operating agreement.
6. Assist SPV in complying with any filing requirements of any government authority having jurisdiction over SPV (e.g., the filing of any required City vendor compliance forms).

C. FUNDER COMMUNICATION

1. Provide notice to City and Lenders of SPV Operating Account and wire transfer instructions and changes thereto.
2. Respond to periodic inquiries from Lenders regarding SPV Operating Account and related balances, deposits and disbursements

EXHIBIT D-4: CCH Service Agreement Scope of Work

COLORADO COALITION FOR THE HOMELESS SERVICE AGREEMENT

EXHIBIT A

DESCRIPTION OF SERVICES AND PROJECT BUDGET

I. Program Description and Service Guidelines

A. Overview

Provider will use a modified Assertive Community Treatment (ACT) team model of community-based clinical services, integrated with a flexible array of housing options delivered through an evidence-based Housing First approach to provide housing and supportive services for the costliest members of the “Super Utilizers” population (“SU”) as described below.

B. Enrollment

After an individual has been deemed eligible for the Project, has consented to participation in the Evaluation Plan, and has been randomly assigned to be served by the Provider through the Project, the individual will be referred by the City via the Referral Coordinator with the Crime Prevention and Control Commission (CPCC) to Provider. Provider will process the referrals in accordance with the following Client pathway:

1. **Pre-Engagement Period.** Upon receipt of a Referral, Provider will attempt to engage the referred individual to participate in the Project as a Client. If the referred individual has an existing relationship with the Provider or with another service provider in the area, the primary service and case management responsibilities will be transferred to Provider as clinically appropriate and upon approval of the Client and existing treatment team to the greatest extent possible. The City will assist Provider in locating and making contact with individuals who are the subject of a Referral as follows: (a) the CPCC referral coordinator will link the unique research IDs back to the individual identifiers (i.e. names and as much information as is available from the intake points) on the master eligibility list, and (b) co-responder staff within the Denver Police Department (DPD) will assist Provider in locating eligible individuals and engaging referred individuals to the extent possible.
2. **Screening.** Providers will engage participants in the treatment group for a minimum of three months, [as described in the Evaluation Plan] before stepping down the engagement and requesting a new referral. After being located, individuals must also

pass the housing screen tool [as described in the Evaluation Plan] (the “Housing Screen”) to confirm homelessness and continue engagement toward housing placement. While the Housing Screen will only screen out any individuals who are not considered homeless according to the Housing Screen requirements, it will also screen for chronic homelessness which will help determine the most appropriate housing subsidy for the individual.

3. Assignment to Case Management Treatment Team and Clinicians. Within one month of initial contact with the Client, Provider will assign the Client to a case management team and, through such case managers and clinicians, will conduct a full mental health assessment of the Client, establish and implement a Treatment Plan (as defined below) for the Client, identify barriers to housing for the Client, and address other pressing Client needs.
4. Provider will directly or indirectly provide Services for at least sixty-five (65) Clients during the first year (commencement through December 31, 2016), and at least one hundred and sixty five (165) Clients during the second year (January 1, 2017 through December 31, 2017. Provider will directly or indirectly provide Services for at least one hundred and sixty five (165) cumulative Clients annually during later phases of this Agreement (after January 1, 2018).

C. Housing Services

1. From initial contact with the Client, Provider will assess the client’s appropriate housing needs, establish a housing stability plan, and work with the client to access and maintain appropriate housing.
2. Provider's housing placement and support services will include housing search and location, landlord outreach, teaching housing skills, lease negotiation, establishing a housing stability plan, conflict mediation, subsidy administration and other key functions. In addition, Provider will assertively engage and offer services to tenants to maximize their tenure in housing including assistance with maintaining their household and finances, independently performing activities of daily living, developing community living skills, maximizing tenant safety and security, guarding against predatory guests and illegal activity in their unit, and generally upholding the terms of their lease. Providers will actively communicate with landlords and property managers to advocate on behalf of tenants, prevent avoidable evictions, and intervene and mitigate crisis situations.
3. Provider will administer the housing subsidies from the Project Budget to allow clients to lease scattered site housing in the community.
4. Provider will ensure that all clients served have access to housing units that are affordable on an ongoing basis. This is defined as meaning that the tenant household ideally pays no more than 30% of its household income toward rent and utilities, and never pays more than 50% of income toward such housing expenses.

D. Supportive Services

All services will be voluntary and driven by individual choice. Recognizing that individuals may initially refuse assistance or services, provider will assertively and creatively engage tenants, including engaging clients multiple times and in multiple settings, to maximize participation in services. The delivery of all services will be guided by the principles of cultural competence, trauma informed care, recovery, and resiliency with an emphasis on building enrollee strengths and resources in the community, with family, and with their peer/social network.

1. Provider will offer and provide Clients with a variety of services as deemed clinically appropriate based on assessed needs. Services provided will be designed to help Clients (i) address barriers to housing stability, (ii) manage mental illness and other disabling conditions, (iii) reduce interaction with the criminal justice system (number of jail days), and (iv) improve health outcomes. At the outset of each Client's engagement in the Project, Provider will work collaboratively with the Client to develop a Treatment Plan.
2. Provider's Services will include, as appropriate for and desired by each Client, intensive case management, crisis intervention, substance use counseling, mental health treatment, peer support, skills building, connection to primary care, and various other services identified as necessary in each Client's Treatment Plan.
3. A treatment plan ("Treatment Plan") will be developed consistent with the principles of client choice, wellness and recovery.
 - a. Provider will work with the Client to develop individualized goals in relation to housing. Other goals may be related to health maintenance, medication management, peer relations, social activities, relapse prevention and/or other individualized needs based on clinical necessity.
 - b. The Client will be primarily responsible for establishing the specific goals that define his/her desired quality of life.
 - c. The Treatment Plan will specify clinical interventions that will be used to assist client in meeting identified goals.
 - d. The Treatment Plan will define the roles and responsibilities of all parties involved in the development of the treatment plan.
 - e. The Treatment Plan may be used to help clients identify, cultivate and sustain relationships with peers, family members, neighbors, and others as clinically appropriate to create a network of support that will build the well-being of enrollees.

E. Case Management & Treatment Team

1. Individuals will likely come from culturally and linguistically diverse backgrounds,

requiring that Case Management & Treatment staff practice "cultural competence" which emphasizes the acquisition of cultural knowledge and the proper application of that knowledge when working with individuals from a variety of cultures. This requires that Case Management & Treatment staff understand and implement the following practices:

- a. "Cultural humility" emphasizes adopting the perspective that individuals and families are the best source of information concerning cultural issues that impact their care.
 - b. "Cultural sensitivity" encourages providers to begin with the assumption that cultural differences exist even when none are apparent and continuously apply themselves to understanding as much as possible about the cultural lens through which each individual and family views and experiences the outside world.
2. Clients will have access to the Case Management & Treatment Team or mobile crisis support 24 hours a day 7 days per week.
3. Housing Counseling Services. Each client will have access to Housing Counseling services, it being understood that the Housing Counseling services may be provided by a designated Housing Counselor or by a case manager or other staff person with housing expertise.
4. The Case Management & Treatment Team shall operate substantially in accordance with the Corporation for Supportive Housing's (CSH'S) 'Dimensions of Quality' Supportive Housing as provided here: http://www.csh.org/wp-content/uploads/2013/07/CSH_Dimensions_of_Quality_Supportive_Housing_guidebook.pdf
5. The Case Management & Treatment Team shall assist clients in obtaining and maintaining permanent housing utilizing resources that are available through non SIB-funded resources as applicable.
6. The Case Management & Treatment Team shall use clinical interventions such as motivational interviewing to assist the client in engaging and linking with integrated health services, as deemed clinically appropriate.
7. The Case Management & Treatment Team shall assist each client in obtaining supplemental income, health insurance and other federal, state, or local benefits for which he or she is eligible if client is willing.
8. The Case Management & Treatment Team has final accountability for assuring that all services identified in the treatment plan are offered to all clients, acknowledging that client's ultimately have self-determination in regards to whether or not they engage in offered services.
9. The Case Management & Treatment Team shall deliver or collaborate with other community agencies to provide for the delivery of all services identified in the Treatment Plan.

10. Case management services will “meet clients where they are” physically and figuratively. As a general rule, most case management services shall be provided in the field where clients conduct their lives – in the clients’ home or in other community locations – allowing individuals to learn and practice skills in the actual environment where they will be using them, rather than in clinic or office settings.
11. The Case Management & Treatment Team, when appropriate and where in alignment with client treatment plan, shall link enrollees with education services (e.g. general education programs, technical/ trade schools) and develop action steps in the Treatment Plan related to educational opportunities that will contribute to successful workforce participation.
12. The Case Management & Treatment Team shall take a Housing First approach to housing.
13. The Case Management & Treatment team shall work with enrollees to identify and access other medical and dental services.
14. The Case Management & Treatment Team shall provide or link client with appropriate health promotion education..
15. If the Case Management & Treatment Team determines that an enrollee requires psychiatric inpatient care or other residential treatment, those services shall be provided through current agency processes. However, the Case Management & Treatment Team will provide continued contact with the enrollee and appropriate treatment staff.
16. Case Management & Treatment staff will attend all required meetings, seminars and other collaborative events scheduled by the SPV. SPV will provide advance notice of any scheduled sessions to the greatest extent possible.

F. Target Population: “Super Utilizers”

As described in the Evaluation Plan, the target population are adults who meet all of the following criteria (the “Super Utilizers” or “SU”):

1. Homeless at the time of referral: identified as transient (having no address or providing the address of a shelter);
2. Determined to be eligible based on the administered Housing Screen;
3. High utilizers of City criminal justice/jail services, indicated by at least eight (8) arrests over a period of three years;
4. High utilizers for purposes of this Project includes preventable, inappropriate, or recurring use of high cost County services such as:

- a. Frequent arrests and/or jail days;
 - b. Frequent emergency department visits;
 - c. Frequent use of ambulance services;
 - d. Frequent use of Emergency Psychiatric Services;
 - e. Frequent medical hospitalization at Denver Health and Hospital;
 - f. Frequent use of Emergency Detoxification Services;
5. Require case management, primary medical care, behavioral health services, and/or dental services, and will likely need specialized substance abuse, mental health, and medical services; and
6. Likely have one or more of the following characteristics:
- a. A history of poor adherence to medication regimens, and/or difficulties participating in structured activities to the extent that it impairs the ability to live independently without supportive services;
 - b. Be eligible for Medicaid and/or Supplemental Security Income ("SSI");
 - c. Be currently uninsured;
 - d. Have either no income or annual total income of less than \$15,000; and
 - e. Lack family or other support networks.
 - f. One or more disabilities.

II. Staffing Requirement

A. Projected Staff

Based on modified ACT principles and available funding resources, Provider will maintain a target staff to client ratio of 1 staff to every 10 clients and no less than one staff person to every 12 clients. Services will be delivered in a team based model in which team members are in close communication and clients may receive services from any team member depending on their preferences and needs. Exact staffing for each team will vary but should include personnel to address the following functions:

1. Team Leader: This role is a full time leader of the team and a practicing clinician on the

team.

2. Psychiatrist/Psychiatric Nurse Practitioner: A psychiatrist or psychiatric nurse practitioner who works on a fulltime or part-time basis. The psychiatrist / psychiatric nurse practitioner provides clinical services to all modified ACT clients and works closely with the team leader and team members to monitor clients and direct relevant treatment.
3. Nurse: A part or full time nurse who will work to identify and collaborate with medical personnel for assessment and treatment as an active member of the treatment team.
4. Substance Use Treatment Provider A full time staff member with certified expertise in providing treatment for persons with substance use disorders.
5. Peer Specialist: A e staff member who is or has been a recipient of mental health services for serious mental illness and/or other lived experience with the homelessness and/or criminal justice systems.
6. Case Managers with expertise as Housing Counselors, Vocational Specialists and/or Jail/Court Liaison.
7. Outcomes Specialist/Administrative Assistant: Non-clinical staff that provide support with organizing records, monitoring and reporting functions, and facilitating communication among the team members.

B. Notification

Provider shall notify the SPV of staffing changes and provide actual staffing numbers and costs at year end.

III. Data Reporting

A. The Data Dashboard.

1. As identified in the Evaluation Plan, data dashboard reports will be completed for all enrolled clients by the Case Management & Treatment team and submitted to the Evaluator via Secure File Transfer Protocol (SFTP) on the 15th and 30th of each month.
2. Provider is responsible for training staff on completing and submitting the data dashboard. Provider shall enter all relevant and required client data into the data dashboard.

B. Medicaid billing

At least twice annually, Provider will analyze and report to the Project Manager the amount of services provided to Project participants that has been successfully billed to Medicaid and reimbursed to Provider. The Project Manager will audit and submit to the Operating Committee for review.

C. Housing Subsidy

Quarterly, Provider will analyze and report to the Project Manager the total amount of SIB funding that has been allocated to participant housing subsidies. The Project Manager will audit and submit to the Operating Committee for review.

IV. Medicaid Billing and Housing Subsidy

A. Medicaid Reimbursement

As set forth in the Provider Budget (attached as Exhibit B to this Agreement), Provider expects that its Services will be funded in part through Medicaid reimbursements. Provider is solely responsible for submitting the information necessary to procure Medicaid payments required to fund its Services and for administering the funds it receives through Medicaid. In the event that Provider does not receive the amount of Medicaid reimbursements identified in the Provider budget through no fault of Provider, (i.e. due to a change in allowable reimbursements under Medicaid), Provider shall notify the Governance Committee. The Governance Committee shall explore alternate funding or program modifications to accommodate such loss in funding. Upon reasonable request, Provider shall provide information to the City and SPV regarding all payments received from Medicaid to offset costs incurred by Provider for providing the Services required by this Agreement. Unless otherwise approved by the Governance Committee with Lender Consent, SPV is not responsible for disbursing proceeds from the SPV Operating Account to cover any shortfalls in the Provider Budget resulting from a loss of Medicaid funding.

B. Medicaid Billing- Mitigating Risks

1. In order to mitigate the risk of not realizing estimated billing percentages, the SPV will provide extensive technical assistance to Providers to maximize Medicaid billing. This includes:
 - a. Provider capacity building to appropriately budget, track, & bill for Medicaid eligible service expenses, which includes overseeing time & costs studies
 - b. Consulting with peer organizations (local and national), the BHO and RCCO-Colorado Access (COA) and the State to enable further credentialing of CCH to become an eligible Behavioral Health billing organization and balance their FQHC billable services with the opportunity to bill for behavioral health services to ensure no duplication and all Medicaid rules are followed.

- c. Consulting with the state and COA to request an “add-on” billing rate for Project participants. This can be approved as part of the annual state budget request process and would allow providers to access an enhanced rate for Services provided. The state often allows these ‘add-on’ rates to allow for pilot initiatives to test new service models for various Medicaid populations or to address a specific problem.
- 2. To further mitigate the risk of not realizing estimated billing percentages, Provider will:
 - a. Participate in meetings with COA and share requested information regarding current billing structure and Medicaid eligible services provided, which may result in requesting additional funding from the state to serve Project participants
 - b. CCH will partner in identifying a strategic plan and timeline for the agency to become an approved and credentialed Behavior Health provider, including meeting regularly with COA and the SPV, as well as tracking and reporting Medicaid eligible Behavioral Health services in order for COA to request additional state funds to reimburse for such services.

C. SIB Housing Subsidy Assumptions

- 1. The Project Budget includes assumptions that participants will need the subsidy for the total number of months that they are enrolled, and that they will be making rental payments equivalent to 30% of their monthly income (budgeted based on average SSI benefit income).
- 2. In the interest of participants obtaining and maintaining permanent housing, it is beneficial for Provider to work with participants to increase their income, as well as to connect participants with an ongoing housing subsidy beyond the term of the 5-year PFS Contract.
- 3. Housing subsidy savings created through connecting clients with tenant-based vouchers or increases in client income will be retained by Provider.

V. Operating Committee and Governance Committee.

(a) Provider shall cause the Team Leader or a qualified designee to attend, in person or by phone, any Operational Meetings (as that term is defined in the Social Impact Bond Contract) and to deliver all data and program metrics to the Project Manager as required under the Social Impact Bond Contract, including all required Service Provider Reports.

(b) Provider shall cause the Team Leader to attend, in person or by phone, any Governance Committee Meetings (as that term is defined in the Social Impact Bond Contract) if requested by the City or the Project Manager (at the direction of the SPV) at least three business days prior to the meeting, provided that notice may be provided on one business day’s notice if an urgent matter is on the agenda.

EXHIBIT D-5: MHCD Service Agreement Scope of Work

MENTAL HEALTH CENTER OF DENVER SERVICE AGREEMENT

EXHIBIT A

DESCRIPTION OF SERVICES AND PROJECT BUDGET

I. Program Description and Service Guidelines

A. Overview

Provider will use a modified Assertive Community Treatment (ACT) team model of community-based clinical services, integrated with a flexible array of housing options delivered through an evidence-based Housing First approach to provide housing and supportive services for the costliest members of the “Super Utilizers” population (“SU”) as described below.

B. Enrollment

After an individual has been deemed eligible for the Project, has consented to participation in the Evaluation Plan, and has been randomly assigned to be served by the Provider through the Project, the individual will be referred by the City via the Referral Coordinator with the Crime Prevention and Control Commission (CPCC) to Provider. Provider will process the referrals in accordance with the following Client pathway:

1. Pre-Engagement Period. Upon receipt of a Referral, Provider will attempt to engage the referred individual to participate in the Project as a Client. If the referred individual has an existing relationship with the Provider or with another service provider in the area, the primary service and case management responsibilities will be transferred to Provider as clinically appropriate and upon approval of the Client and existing treatment team to the greatest extent possible. The City will assist Provider in locating and making contact with individuals who are the subject of a Referral as follows: (a) the CPCC referral coordinator will link the unique research IDs back to the individual identifiers (i.e. names and as much information as is available from the intake points) on the master eligibility list, and (b) co-responder staff within the Denver Police Department (DPD) will assist Provider in locating eligible individuals and engaging referred individuals to the extent possible.
2. Screening. Providers will engage participants in the treatment group for a minimum of

three months, [as described in the Evaluation Plan] before stepping down the engagement and requesting a new referral. After being located, individuals must also pass the housing screen tool [as described in the Evaluation Plan] (the “Housing Screen”) to confirm homelessness and continue engagement toward housing placement. While the Housing Screen will only screen out any individuals who are not considered homeless according to the Housing Screen requirements, it will also screen for chronic homelessness which will help determine the most appropriate housing subsidy for the individual.

3. Assignment to Case Management Treatment Team and Clinicians. Within one month of initial contact with the Client, Provider will assign the Client to a case management team and, through such case managers and clinicians, will conduct a full mental health assessment of the Client, establish and implement a Treatment Plan (as defined below) for the Client, identify barriers to housing for the Client, and address other pressing Client needs.
4. Provider will directly or indirectly provide Services for at least eighty-five (85) Clients during the second year (January 1, 2017 through December 31, 2017). Provider will directly or indirectly provide Services for at least eighty-five (85) cumulative Clients annually during later phases of this Agreement (starting January 1, 2018).

C. Housing Services

1. From initial contact with the Client, Provider will assess the client’s appropriate housing needs, establish a housing stability plan, and work with the client to access and maintain appropriate housing.
2. Provider's housing placement and support services will include housing search and location, landlord outreach, teaching housing skills, lease negotiation, establishing a housing stability plan, conflict mediation, subsidy administration and other key functions. In addition, Provider will assertively engage and offer services to tenants to maximize their tenure in housing including assistance with maintaining their household and finances, independently performing activities of daily living, developing community living skills, maximizing tenant safety and security, guarding against predatory guests and illegal activity in their unit, and generally upholding the terms of their lease. Providers will actively communicate with landlords and property managers to advocate on behalf of tenants, prevent avoidable evictions, and intervene and mitigate crisis situations.
3. Provider will ensure that all clients served have access to housing units that are affordable on an ongoing basis. This is defined as meaning that the tenant household ideally pays no more than 30% of its household income toward rent and utilities, and never pays more than 50% of income toward such housing expenses.

D. Supportive Services

All services will be voluntary and driven by individual choice. Recognizing that individuals may initially refuse assistance or services, provider will assertively and creatively engage tenants, including engaging clients multiple times and in multiple settings, to maximize participation in services. The delivery of all services will be guided by the principles of cultural competence, trauma informed care, recovery, and resiliency with an emphasis on building enrollee strengths and resources in the community, with family, and with their peer/social network.

1. Provider will offer and provide Clients with a variety of services as deemed clinically appropriate based on assessed needs. Services provided will be designed to help Clients (i) address barriers to housing stability, (ii) manage mental illness and other disabling conditions, (iii) reduce interaction with the criminal justice system (number of jail days), and (iv) improve health outcomes. At the outset of each Client's engagement in the Project, Provider will work collaboratively with the Client to develop a Treatment Plan.
2. Provider's Services will include, as appropriate for and desired by each Client, intensive case management, crisis intervention, substance use counseling, mental health treatment, peer support, skills building, connection to primary care, and various other services identified as necessary in each Client's Treatment Plan.
3. A treatment plan ("Treatment Plan") will be developed consistent with the principles of client choice, wellness and recovery.
 - a. Provider will work with the Client to develop individualized goals in relation to housing. Other goals may be related to health maintenance, medication management, peer relations, social activities, relapse prevention and/or other individualized needs based on clinical necessity.
 - b. The Client will be primarily responsible for establishing the specific goals that define his/her desired quality of life.
 - c. The Treatment Plan will specify clinical interventions that will be used to assist client in meeting identified goals.
 - d. The Treatment Plan will define the roles and responsibilities of all parties involved in the development of the treatment plan.
 - e. The Treatment Plan may be used to help clients identify, cultivate and sustain relationships with peers, family members, neighbors, and others as clinically appropriate to create a network of support that will build the well-being of enrollees.

E. Case Management & Treatment Team

1. Individuals will likely come from culturally and linguistically diverse backgrounds,

requiring that Case Management & Treatment staff practice "cultural competence" which emphasizes the acquisition of cultural knowledge and the proper application of that knowledge when working with individuals from a variety of cultures. This requires that Case Management & Treatment staff understand and implement the following practices:

- a. "Cultural humility" emphasizes adopting the perspective that individuals and families are the best source of information concerning cultural issues that impact their care.
 - b. "Cultural sensitivity" encourages providers to begin with the assumption that cultural differences exist even when none are apparent and continuously apply themselves to understanding as much as possible about the cultural lens through which each individual and family views and experiences the outside world.
2. Clients will have access to the Case Management & Treatment Team or mobile crisis support 24 hours a day 7 days per week.
3. Housing Counseling Services. Each client will have access to Housing Counseling services, it being understood that the Housing Counseling services may be provided by a designated Housing Counselor or by a case manager or other staff person with housing expertise.
4. The Case Management & Treatment Team shall operate substantially in accordance with the Corporation for Supportive Housing's (CSH'S) 'Dimensions of Quality' Supportive Housing as provided here: http://www.csh.org/wp-content/uploads/2013/07/CSH_Dimensions_of_Quality_Supportive_Housing_guidebook.pdf
5. The Case Management & Treatment Team shall assist clients in obtaining and maintaining permanent housing utilizing resources that are available through non SIB-funded resources as applicable.
6. The Case Management & Treatment Team shall use clinical interventions such as motivational interviewing to assist the client in engaging and linking with integrated health services, as deemed clinically appropriate.
7. The Case Management & Treatment Team shall assist each client in obtaining supplemental income, health insurance and other federal, state, or local benefits for which he or she is eligible if client is willing.
8. The Case Management & Treatment Team has final accountability for assuring that all services identified in the treatment plan are offered to all clients, acknowledging that client's ultimately have self-determination in regards to whether or not they engage in offered services.
9. The Case Management & Treatment Team shall deliver or collaborate with other community agencies to provide for the delivery of all services identified in the Treatment Plan.

10. Case management services will “meet clients where they are” physically and figuratively. As a general rule, most case management services shall be provided in the field where clients conduct their lives – in the clients’ home or in other community locations – allowing individuals to learn and practice skills in the actual environment where they will be using them, rather than in clinic or office settings.
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- a. A history of poor adherence to medication regimens, and/or difficulties participating in structured activities to the extent that it impairs the ability to live independently without supportive services;
 - b. Be eligible for Medicaid and/or Supplemental Security Income ("SSI");
 - c. Be currently uninsured;
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II. Staffing Requirement

A. Projected Staff

Based on modified ACT principles and available funding resources, Provider will maintain a target staff to client ratio of 1 staff to every 10 clients and no less than one staff person to every 12 clients. Services will be delivered in a team based model in which team members are in close communication and clients may receive services from any team member depending on their preferences and needs. Exact staffing for each team will vary but should include personnel to address the following functions:

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B. Notification

Provider shall notify the SPV of staffing changes and provide actual staffing numbers and costs at year end.

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A. The Data Dashboard.

1. As identified in the Evaluation Plan, data dashboard reports will be completed for all enrolled clients by the Case Management & Treatment team and submitted to the Evaluator via Secure File Transfer Protocol (SFTP) on the 15th and 30th of each month.
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C. Housing Subsidy

Quarterly, Provider will analyze and report to the Project Manager the total amount of SIB funding that has been allocated to participant housing subsidies. The Project Manager will audit and submit to the Operating Committee for review.

IV. Medicaid Billing and Housing Subsidy

A. Medicaid Reimbursement

As set forth in the Provider Budget (attached as Exhibit B to this Agreement), Provider expects that its Services will be funded in part through Medicaid reimbursements. Provider is solely responsible for submitting the information necessary to procure Medicaid payments required to fund its Services and for administering the funds it receives through Medicaid. In the event that Provider does not receive the amount of Medicaid reimbursements identified in the Provider budget through no fault of Provider, (i.e. due to a change in allowable reimbursements under Medicaid), Provider shall notify the Governance Committee. The Governance Committee shall explore alternate funding or program modifications to accommodate such loss in funding. Upon reasonable request, Provider shall provide information to the City and SPV regarding all payments received from Medicaid to offset costs incurred by Provider for providing the Services required by this Agreement. Unless otherwise approved by the Governance Committee with Lender Consent, SPV is not responsible for disbursing proceeds from the SPV Operating Account to cover any shortfalls in the Provider Budget resulting from a loss of Medicaid funding.

B. Medicaid Billing- Mitigating Risks

1. In order to mitigate the risk of not realizing estimated billing percentages, the SPV will provide extensive technical assistance to Providers to maximize Medicaid billing. This includes:
 - a. Provider capacity building to appropriately budget, track, & bill for Medicaid eligible service expenses, which includes overseeing time & costs studies
 - b. Consulting with the state and COA to request an “add-on” billing rate for Project participants. This can be approved as part of the annual state budget request process and would allow providers to access an enhanced rate for Services provided. The state often allows these ‘add-on’ rates to allow for pilot initiatives to test new service models for various Medicaid populations or to address a specific problem.
2. To further mitigate the risk of not realizing estimated billing percentages, Provider will:

- a. Participate in meetings with COA and share requested information regarding current billing structure and Medicaid eligible services provided, which may result in requesting additional funding from the state to serve Project participants.

C. SIB Housing Subsidy Assumptions

1. The Project Budget includes assumptions that participants will need the subsidy for the total number of months that they are enrolled, and that they will be making rental payments equivalent to 30% of their monthly income (budgeted based on average SSI benefit income).
2. In the interest of participants obtaining and maintaining permanent housing, it is beneficial for Provider to work with participants to increase their income, as well as to connect participants with an ongoing housing subsidy beyond the term of the 5-year PFS Contract.

V. Operating Committee and Governance Committee.

- (a) Provider shall cause the Team Leader or a qualified designee to attend, in person or by phone, any Operational Meetings (as that term is defined in the Social Impact Bond Contract) and to deliver all data and program metrics to the Project Manager as required under the Social Impact Bond Contract, including all required Service Provider Reports.
- (b) Provider shall cause the Team Leader to attend, in person or by phone, any Governance Committee Meetings (as that term is defined in the Social Impact Bond Contract) if requested by the City or the Project Manager (at the direction of the SPV) at least three business days prior to the meeting, provided that notice may be provided on one business day's notice if an urgent matter is on the agenda.

EXHIBIT E: Minimum Social Impact Fund Balance

Minimum Fund Balance Need for Maximum Housing Stability Payment

Assumptions: 65 participants enroll on day one in 2016, 185 participants enroll on day one in 2017
 \$15.12 per day with no jail day reduction
 Payments made according to quarter schedule in Contract
 2020 payment adjusted if program meets maximum payment amount of \$5,292,188

<i>Needed Before:</i>	2016	2017	2018	2019	2020	2021	Total Maximum Payment
<i>Max Days of Stable Housing</i>	-	23,725.00	125,012.50	91,250.00	136,875.00	-	
<i>Max Payment HS per Year</i>	\$ -	\$ 358,722.00	\$ 1,890,189.00	\$ 1,379,700.00	\$ 1,663,577.00	\$ -	\$ 5,292,188.00

*Number above adjusted to fall under max

Minimum Fund Balance Need for Maximum Jail Reduction Payment

Assumptions: Maximum Payment of \$6,130,000
 Early Termination Payments made according to percentage multiplier in Contract

<i>Needed Before:</i>	2016	2017	2018	2019	2020	2021	Total Maximum Payment
<i>Percentage Multiplier of Total</i>	0%	47%	67%	85%	100%		
<i>Max JR Payment per Year</i>	\$ -	\$ 2,881,100.00	\$ 4,107,100.00	\$ 5,210,500.00	\$ 6,130,000.00	\$ -	\$ 6,130,000.00

Urban Institute Evaluation Budget

<i>Needed Before:</i>	2016	2017	2018	2019	2020	2021	Total Payment
<i>Urban Payment per Year</i>	\$ 150,000.00	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00	\$ 87,500.00	\$ 937,500.00

Total Cumulative Minimum Fund Balance Need

<i>Needed Before:</i>	2016	2017	2018	2019	2020	2021	Total Maximum Payment
<i>Max Payment HS per Year</i>	\$ -	\$ 358,722.00	\$ 1,890,189.00	\$ 1,379,700.00	\$ 1,663,577.00	\$ -	\$ 5,292,188.00
<i>Max JR Payment per Year</i>	\$ -	\$ 2,881,100.00	\$ 4,107,100.00	\$ 5,210,500.00	\$ 6,130,000.00	\$ -	\$ 6,130,000.00
<i>Urban Payment per Year</i>	\$ 150,000.00	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00	\$ 87,500.00	\$ 937,500.00

Minimum Balance for Each Year	\$ 150,000.00	\$ 3,414,822.00	\$ 6,172,289.00	\$ 6,765,200.00	\$ 7,968,577.00	\$ 87,500.00	
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EXHIBIT F: Operating and Governance Committee Members

Initial Operating Committee Members:

- Denver Department of Finance
- Denver Human Services, Division of Behavioral Health Strategies
- The Urban Institute
- Colorado Coalition for the Homeless
- Mental Health Center of Denver
- Denver PFS, LLC

Governance Committee:

- Chief Financial Officer for the City of Denver
- The Urban Institute
- Colorado Coalition for the Homeless
- Mental Health Center of Denver
- Denver PFS, LLC
- Laura and John Arnold Foundation
- Living Cities Blended Catalyst Fund LLC
- Nonprofit Finance Fund
- The Denver Foundation
- The Piton Foundation
- The Northern Trust Company
- The Ben and Lucy Ana Walton Fund at the Walton Family Foundation, Inc.
- The Colorado Health Foundation

EXHIBIT G: Unit Lease-Up Schedule

#	Month	CCH Colorado Station	Scattered Site CCH vouchers	Scattered Site CCH	CCH Broadway	Scattered Site MHCD	MHCD Sanderson	MHCD St. Francis	Total Monthly Placements	Cumulative
1	Feb-16	10							10	10
2	Mar-16	15							15	25
3	Apr-16		10						10	35
4	May-16		6	3					9	44
5	Jun-16			4					4	48
6	Jul-16			4					4	52
7	Aug-16			4					4	56
8	Sep-16			3					3	59
9	Oct-16			3					3	62
10	Nov-16			3					3	65
11	Dec-16								0	65
12	Jan-17								0	65
13	Feb-17								0	65
14	Mar-17				20				20	85
15	Apr-17				20				20	105
16	May-17				20		20	5	45	150
17	Jun-17				20		20	5	45	195
18	Jul-17				20		20	5	45	240
19	Aug-17							5	5	245
20	Sep-17							5	5	250
21	Oct-17								0	250
22	Nov-17								0	250
23	Dec-17								0	250
	Total	25	16	24	100	0	60	25	250	250