



HOW ECONOMIC, SOCIAL SERVICE AND HOUSING POLICIES IMPACT HOMELESSNESS

A CASE STUDY OF MANCHESTER, NEW HAMPSHIRE

by

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I certify that I have read this thesis and that, in my opinion, it is fully adequate in scope and quality as a thesis for the degree of Master of Arts.

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Abstract

HOW ECONOMIC, SOCIAL SERVICE AND HOUSING POLICIES IMPACT HOMELESSNESS: A CASE STUDY OF MANCHESTER, NEW HAMPSHIRE

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How do economic and housing policies affect a City?

Homelessness is a reflection of the impact that a city's economic, housing and social service policies has on its residents. Manchester has limited amounts of affordable housing, living wage jobs, and a limited and stigmatizing social service network.

On the positive side, Manchester has obtained three reports that could change its policy and value systems that impact on its housing dilemma.

The City of Manchester's homeless population is affected by many different trigger factors that have created a housing crisis and homelessness. These include:

1. Economic development policies that influence a person's ability to afford or obtain permanent housing.
2. Service delivery policies that either prevents homelessness or assist people who, due to lack of skills and knowledge, are unable to maintain their housing.

3. Housing policies that influence the spectrum of available permanent housing opportunities.

This report examines the existing residual policies of Manchester and how, the adoption of certain policy recommendations can create an institutional social welfare system that co-exists within a developmental model.

Introduction

Statement of Problem

The City of Manchester New Hampshire has a persistent housing problem symphonized by a persistence of homelessness. The problem is caused by different trigger factors that create the environment that leads to housing crises.

These trigger factors fall under three categories.

1. Economic development policies that influence a person's ability to afford or obtain permanent housing.
2. Service delivery policies that either prevents homelessness or assist people who, due to lack of skills and knowledge, are unable to maintain their housing.
3. Housing policies that influence the spectrum of available permanent housing opportunities.

No policy is a sure-fire *silver bullet* that can, overnight, solve a social problem. However, Manchester's policy makers have relied on market forces to respond to the economic and housing challenges facing its residents and offered a residual approach to service delivery. While to some, this has been successful (illustrated by a relatively low unemployment rate). But employment is not the only measure of successful economic policies. Indeed, the growth of the number of homeless problem and the suggestion, by existing research, that there are countless numbers of people living in substandard, overcrowded situations that are potentially homeless is further proof that

Manchester should consider institutional and developmental approaches to the causes of its housing dilemma.

Statement of Constructs

"Public Policies are the mechanisms through which values are authoritatively allocated for the society. ..Policy designs are observable phenomena found in statutes, administrative guidelines, court decrees, programs and even the practices and procedures of street level case workers as they interact with policy recipients (Schneider and Ingram, page 2).

We attribute these kinds of flawed policy designs to a degenerative pattern of policy making that legitimates and rewards strategic and even deceptive manipulation of images and arguments in the pursuit of private and public gain (Schneider and Ingram, page 6)."

Manchester's existing public policies affect (directly and indirectly) employment and housing opportunities. In particular the city's policies determine the potential for people to afford and find permanent housing.

"[A] residual model consists of social policies that are limited and meager...they are used to supplement the family, voluntary sector and market when these institutions are unable to meet social needs (Midgely page 25)."

Manchester's policies are residual. This report will show that the City's lack of economic goals, housing incentive programs and crisis oriented service delivery system has created a housing crisis within an atmosphere of economic stagnation -- in other words, the existing model is *limited* and *meager*.

Manchester also negatively labels people with housing crises. As discussed below, it is the police department, not the social service system, who are the front line responders for families seeking emergency shelter. The Welfare Department has no accountability (also outlined later) for its homeless clients and a planner has been heard to say, "homeless people should be placed on buses and sent back to where they came from." These approaches create a *de facto* value system that, unfortunately, is reflective of social welfare policies.

It is not as though the State of New Hampshire has placed restrictions on its localities to implement successful economic policies. Indeed, the State's lack of sales, personal income and capital gains taxes create, at the least, a competitive economic climate. In terms of land use, a city has a great deal of latitude to, at least, explore alternative uses to its *un-*, or under-utilized buildings.

Therefore, it appears reasonable that Manchester has not, up till now, promoted a value system that responds to the needs of all of its residents and reflects its position as the State's largest city. Although, it has had and does have the capacity to address, and potentially change the climate in which these trigger factors proliferate.

And what of public gain? As we will also see, it is not as though Manchester has thrived. While there have been a fair amount of major projects, the fact that three separately prepared reports have repeated similar themes suggests the *residual* policies have *institutionalized* certain problems -- reinforced by the existing value system.

Statement of Hypothesis

Manchester is New Hampshire's largest city. Manchester's history is shared by cities including Haverhill, Lawrence and Lowell, Massachusetts and Nashua, New Hampshire. Each of these cities was a key player in the history of New England's textile industry (Rivard, pages 46 - 82). As such, each of these Cities experienced tremendous economic upheaval as the mills moved to the Southeastern United States and overseas.

Manchester, the most northern of the five, has, in the past four years, obtained three reports that provide recommendations that, if accepted, directly impact its future. In 2002, the Manchester's Housing Task Force provided recommendations on how the city could implement a housing plan that could respond to needs of a population with diverse incomes. In 2005, Angelou Economics provided a report that focused on options that would lead to economic growth. In 2006, the Applied Research Center of Southern New Hampshire University provided a plan with recommendations to end chronic homelessness.

These reports present concrete opportunities for Manchester to emerge as a thriving economic center -- competing with, or against, the four other former mill centers.

This paper hypothesizes that acceptance of recommendations from these reports will:

1. Provide greater economic opportunities for its residents
2. Create a housing market that is responsive to the needs of Manchester's residents
3. Reduce the number of people who are homeless or potentially homeless

Methodology

This report will examine the causes of homelessness in Manchester, New Hampshire, including:

1. Economic policies
2. Housing policies
3. Social Welfare policies

Adoption of, even a few, recommendations outlined by these three reports: Manchester Housing Task Force's Action Strategies, Angelou Economics' Community Assessment and Strategic Recommendations and the "10-Year Plan to End Homelessness", will not only change public policies but begin to positively influence Manchester's value system.

This will be followed by an analysis of how the recommendations provided in each of these three reports can achieve these results and how success can be evaluated.

Homelessness In Manchester

Background

The problems of homeless people in the City of Manchester are similar to those in other cities in the United States. Martha R. Burt, writing in the Urban Institute Report "What Will It Take to End Homelessness" states:

"Personal difficulties, such as mental disabilities or job loss, may increase vulnerability to homelessness, but they cannot explain the high number of people who fall into homelessness every year. And housing market trends indicate the situation is getting worse rather than better. Current levels of housing costs, coupled with low-wage jobs and economic contraction, could push even the working poor out of their homes. Although the availability of homeless services have increased significantly during the past decade, meeting the needs of people once they become homeless is not enough...A concerted national strategy is needed to prevent homelessness, and to end quickly discrete episodes of homelessness if they become inevitable. That strategy must include new housing resources as well as community building strategies that address the societal factors contributing to homelessness (Burt, page 1)."

The shortage of affordable housing, obviously, does not help matters. The New Hampshire Housing Finance Authority in their 2003 report listed the reasons:

"There are a number of complex factors that contribute to the acute shortage of housing, and particularly affordable housing. They include builder capacity, financial risk and the availability of subsidies. However, one major factor often cited by housing developers is community resistance to residential development and the degree to which the implementation of zoning, planning and other regulatory policies has created artificial barriers to the private market's ability to create needed new housing. The amount, type and affordability of housing in our communities are greatly influenced by local decisions. Those decisions are based on established laws and policies whose application and interpretation are critical to the development of a balanced housing supply (New Hampshire Finance Authority, page 2)."

The problems that homeless people confront in Manchester, then, operate at different levels. At the foundation are the social and economic issues which people confront each day including the lack of accessible or affordable housing alternatives. Second is the spectrum of crises that lead people to find themselves without a home – including lack of economic opportunity. Next is service fragmentation. Of primary concern, here, is the way Manchester's human service system responds to prevent people from falling through the cracks. This makes coordination of case management difficult and adds to the jeopardy an individual or family face and reinforces the gaps in the existing social welfare system.

Why are People Homeless in Manchester?

Economic issues

Exacerbating the pressures on employable adults in Manchester is the limited growth in employment opportunities.

Feeling The Pinch: Wages and Housing in New Hampshire published by The New Hampshire Housing Forum and the American Friends Service Committee New Hampshire Program put it this way”

“...Over half of the 50,000 jobs created in the last three years (in New Hampshire) pay less than what a family needs to live on; real wages for over half of the population have not increased in the last decade; construction of rental housing – housing a third of the states population lives in – has not recovered, producing vacancy rates below 1% in some regions. Working families with children are the fastest growing segment of our shelter population.

Increasingly, families cannot live in the communities they work in. Appreciating home values – good news for homeowners – have put much of NH’s housing out of reach of their children. New Hampshire has a housing crisis that threatens its economic growth, the stability of its communities and the health of its family structure (New Hampshire Housing Forum and American Friends Service Committee, page 2).”

From the New Hampshire Finance Authority study:

"...There has been a fairly constant relationship over the 1980 to 1990 and 2000 period between the total number of resident workers residing in the state, and the total number of households. There is a less consistent relationship however between households and persons employed within the state due to changes in commuter patterns. In 1980 about 12% of NH resident workers commuted to out of state work locations compared to 16.7% in 1990 and 15.7% in 2000. However there has been a relatively constant relationship between the total number of working residents per household (New Hampshire Housing Finance Authority 2003, page 13)."

Specifically:

"Manchester is the largest U.S. city north of Boston. Eleven colleges and technical schools reside in the area, the city's telecommunications infrastructure is advanced and it continues to receive strong reviews from both business and consumer publications...

Small businesses are becoming the cornerstone of Manchester's economy. There are an increasing number of incentives and programs being created to support and stimulate this activity at a state level.

Quality of life is one of the city's major strengths. Manchester is undergoing both an area-wide and

downtown transformation... (Angelou Economics Report 1, page 6)."

This portrait of Manchester -- painted in August 2005, describes a city on the move, a city with many strengths and the potential for economic strength. Yet, Manchester, New Hampshire, like other cities throughout the United States at this crossroads, is faced with a paradox. With an established welfare system and Continuum of Care, homelessness persists in this city of approximately 100,000 people. Why?

"It is rapidly becoming apparent that the recent rise in homelessness is closely related to the changing contours of American poverty. Put simply, as everyday living circumstances have become more difficult for growing numbers of Americans, the buffer of safety they can count on to absorb unexpected hardship has been reduced. Some of the factors behind this spreading precariousness are unemployment, underemployment, rising housing costs and a shrinking stock of low-income housing and the erosion of real income by inflation. (, page 204)"

Is this true in Manchester? The Angelou report describes it thusly:

"Manchester has seen slow but steady employment growth over the last few years. Income levels have also risen with job growth, reflecting a continuing shift from manufacturing jobs to higher-wage technology service

jobs for the area. (Angelou Economics Report 1, page 6). [However] Manchester has some strong businesses...but no strong cluster[s]... (Angelou Economics Report 1, page 15)”

A list of Manchester’s largest employers demonstrates a strong diversity of economy. While positive, a number of these businesses are in declining or non-growth industries and they are silo operations with very little in the way of cluster through vertical support businesses (Angelou Economics Report 1, page 16).”

The lack of strong clusters and stagnancy of business growth limits the employment opportunities for Manchester’s residents. In other words, while there may be jobs, their scope and potential are limited.

Employment services are provided by the State of New Hampshire. But, as we see, with limited number of job opportunities, affording housing is the critical issue.

The New Hampshire Housing Forum and the American Friends Service Committee New Hampshire Program put it this way”

“...Over half of the 50,000 jobs created in the last three years (in New Hampshire) pay less than what a family needs to live on; real wages for over half of the population have not increased in the last decade; construction of rental housing – housing a third of the states population lives in – has not recovered, producing

vacancy rates below 1% in some regions. Working families with children are the fastest growing segment of our shelter population.”

Increasingly, families cannot live in the communities they work in. Appreciating home values – good news for homeowners – have put much of NH’s housing out of reach of their children. New Hampshire has a housing crisis that threatens its economic growth, the stability of its communities and the health of its family structure (The New Hampshire Housing Forum and American Friends Service Committee, page 2).”

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“...There has been a fairly constant relationship over the 1980 to 1990 and 2000 period between the total number of resident workers residing in the state, and the total number of households. There is a less consistent relationship however between households and persons employed within the state due to changes in commuter patterns. In 1980 about 12% of NH resident workers commuted to out of state work locations compared to 16.7% in 1990 and 15.7% in 2000. However there has been a relatively constant relationship between the total number of working residents per household (New Hampshire Finance Authority 2003, page 13).”

Yet, people choose to live in Manchester for various reasons -- not the least of which being the economic opportunities outlined by the Angelou report.

Service Delivery

A major part of Manchester’s homeless prevention strategy is an emergency rental assistance program provided either directly by the city or by non-profits that are part of the emergency system. Table 1 represents the number of families who have received assistance of this type directly over the past 3 1/2 years. Other prevention strategies include legal assistance provided by the legal assistance program.

Table 1: Emergency Rental Assistance Provided by the City of Manchester Welfare Department

Year	Number of Families	Amount of Rent Assistance Provided
2003	712	\$ 471,566
2004	820	\$ 263,051
2005	756	\$282.890
2006 (partial year)	537	\$ 168,737

Source: City of Manchester Department of Welfare

Not being able to afford rent or a mortgage is what would lead someone into a path of homelessness. But these broader policy issues are undercurrents to many different social problems that an individual or family faces or are the primary sources of homeless people. These

problems become catalysts of homelessness -- trigger factors (as the Manchester Continuum of Care calls them) that can be categorized as either the cause or crisis that someone experiences that leads them to homelessness or the primary sources of homeless people. These would be:

1. Discharge from some form of institutional care.
Deinstitutionalization from mental institutions is one example of this. However, discharge from a hospital, prison, foster care or other type of long or short-term facility without an appropriate discharge plan (that includes follow-up or after care) increases the potential for homelessness
2. Domestic violence/Spousal Abuse. Victims of domestic violence, including spouse abuse and elder abuse, are among the most vulnerable to becoming homeless because they face actual threat of emotional, mental, physical and/or sexual harm within their home. These individuals should be viewed as a priority in the implementation of a broader service system.
3. Displacement. As the largest city in the New Hampshire, Manchester has always been a magnet for people seeking economic opportunity – whether they come from elsewhere in the State, region or world. The impact of this migration is increased pressure on economic and social networks, which, as a result, impacts on homelessness.
4. Youth. Of course, being a youth is not, in itself, a trigger factor. However, runaway and throwaway youth are among the most vulnerable to the victimization of becoming homeless. Additionally, young people who are members of families who are

homeless are also confronted with the multifarious nature of being part of a family in crisis.

5. Eviction due to non-payment of rent. This is the issue that first comes to mind when thinking of reasons why people become homeless. As discussed before, the shrinking supply/demand ratio of available, affordable housing – in particular for those who are economically stretched to the limit – would be a prime cause for homelessness.
6. Displacement due to lack of supportive services. De-institutionalized and/or people discharged from various types of supervised care require ongoing supportive services. Follow-up to ensure successful execution of treatment plans is essential to these people's ability to retain their housing.
7. Lack of prevention and intervention services. Outreach is a critical part of a prevention system. Successful outreach helps people develop and maintain links to education, training, gainful employment and to develop and maintain other social linkages. Comprehensive referral and crisis intervention services are essential to prevent homelessness and tenancy breakdown. A significant number of homeless people have previously had housing of their own. It is essential to ensure that these services are well coordinated to ensure that those at risk of becoming homeless receive comprehensive services and do not fall victim to the system's fragmentation.

In addition to these trigger factors there are underlying issues that directly impact on people's potential for becoming homeless:

1. Lack of affordable, accessible housing alternatives.
Enhancing daily living and social skills helps stabilize those with chronic problems. Easing access to services such as these will help to prevent homelessness and chronic homelessness. This would include lack of rental support services. In a significant number of cases the provision of housing is not always sufficient to address homelessness. People and families become homeless for a number of complex reasons that necessitate a more strategic response.
2. Lack of gainful employment. Living one paycheck away from homelessness has become cliché. However it is real for many people. Debt, underemployment and chronic unemployment are among the contributing factors that, when added to feelings of isolation often lie behind housing related problems. For people involved in programs that lead to more gainful, lasting employment the likelihood of these problems is significantly reduced. Gainful employment provides a range of social networks and greater economic independence for people with low self-esteem. This, in turn, diminishes the dangers of social isolation. Facilitating access to services such as these will help to reduce homelessness in Manchester.

These do not operate in a vacuum. There is an internal interdependence between each and a broader relationship to other city and state policies, but these are the additional crises which, when combined with barriers to economic opportunity and affordable

housing (see below) cause people to be unable to maintain a stable home of their own.

Homeless individuals in Manchester are assisted, are initially helped by the Manchester Police or New Horizons, a not-for-profit service provider.

"All homeless single adult males and females are to be directed to New Horizons For New Hampshire, Inc. at 199 Manchester Street...

Homeless families looking for shelter must present themselves in person at the Police Station.

Pre-screen(ing) to ensure that the homeless family is not a domestic violence situation (is required). If it is a domestic violence situation, have the person call the CRISIS HOT LINE....(Martineau, letter dated January 7,2006 attached as Appendix 1)"

Only in the case of domestic violence or "all other situations" is additional intervention warranted at the intake stage.

Once this is completed, the client(s) is/are assigned to a not-for-profit for emergency shelter and other services. A list of these providers is part of Appendix 2.

The actual number of people who went through this process was not provided to the research team. As explained by the Welfare Commissioner (See Appendix 3):

"The Welfare Department...does not keep demographics on homeless families or individuals. The reason being, we refer homeless individuals...to New Horizons. We refer homeless families to Manchester Emergency Housing or to Homeless Outreach (City of Manchester Welfare Department letter dated December 14, 2005 attached as Appendix 3)."

There is no centralized database that includes comprehensive intake information.

Appendix 4 provides a list of the core housing service providers.

The New Hampshire Consolidated Plan considers information management a priority:

"In order to achieve these objectives (addressing the problem of homelessness) we will refine our process of determining gaps and needs over the next two years through the use of improved data collection and analysis.

New Hampshire is fortunate to be implementing a Statewide Homeless Management Information System (HMIS). The HMIS will provide more reliable information regarding our count of homeless individuals, the chronically homeless, and families. It will also provide us with better information as to shelter and service usage. We will also continue to do a point-in-time count and use

that information along with HMIS data (New Hampshire Consolidated Plan 2006-2010, page 53). Different service providers provide different levels of service with the goal to refer clients to appropriate supportive services and/or placement in permanent housing. There is no uniform information management and/or reporting system currently being used by the social service network.

However, such a system does not currently exist.

The City of Manchester focuses on homeownership rather than rental housing. According to the New Hampshire Housing Finance Authority:

"In 2000 there was a 3% rental vacancy rate, somewhat lower than the statewide average. During the 1990s the rental stock increased by 705 units. However the rate of increase in rental units, at only 2.4% in the rental stock was small compared to the growth in the ownership stock of 15.9% (nearly 6,500 ownership units). The growth rate among senior households at 11.9% was slower than that of the state at 18.1%. (New Hampshire Housing Finance Authority 2003, page 8)"

In the area of Federally funded initiatives, the following is taken from the 2006 - 2010 City of Manchester Consolidated Plan.

"The City of Manchester has 4,022 units of project and tenant based assisted housing administered or funded

primarily through the Manchester Housing and Redevelopment Authority, the Department of Housing and Urban Development and the New Hampshire Housing Finance Authority see map numbered 5. Approximately 48% (1,930) of these units are occupied by families and 51% (1,976) by elderly people. The remaining units (2%) are designated for use by the severely mentally ill and the physically handicapped.

The MHRA manages 1,271 units of Public Housing, 37 low-income housing tax credit units and 1,738 units of Housing Choice Voucher. Under a recently enacted law, 40% of new admissions to public housing and 75% of new admissions to Housing Choice Voucher program must have incomes at or below 30% of the median income. As part of its public housing program MHRA currently administers 864 zero & one bedroom apartments (68%), 183 two-bedroom apartments (14%), 201 three-bedroom apartments (16%) and 23 four and five room apartments (2%).

The Leased Housing Department of MHRA administers the Housing Choice Voucher program that provides assistance to households with incomes below 50% of the City median income. MHRA administers a total of 1,738 Housing Choice Voucher units with the following inventory: 871 (50%) zero and one bedroom apartments, 570 (33%) two-bedroom apartments, 260 (15%) three-bedroom apartments and 37 (2%) four and

five bedroom apartments. All Housing Choice Voucher units must meet minimum housing quality standards to be accepted into the Housing Choice Voucher program. Staff from the MHRA inspect each unit prior to occupancy and annually thereafter to ensure units are maintained in good physical condition. MHRA reports that the need for decent affordable housing continues to be a serious problem in the City and waiting lists for both public housing and the Housing Choice Voucher program remain high. MHRA currently has a Housing Choice Voucher program waiting list of 4,982 applicants made up of 1,707 elderly/disabled and 3,275 families (City of Manchester Consolidated Plan, page 101)."

As for private development, the Plan discusses, in particular, the work of Manchester Neighborhood Housing Services.

"Manchester Neighborhood Housing Services- [MNHS] - has been an active participant in the development of safe affordable housing in Manchester's Inner City neighborhoods since 1992..."

The cornerstone of Manchester Neighborhood Housing Services community development strategy is their home ownership program. In June 2000, MNHS established the NeighborWorks Homeownership Center of Manchester...For low-income families, home ownership is the primary means of obtaining a financial asset, building a more secure economic future for their families, and

ultimately breaking the cycle of poverty...(City of Manchester Consolidated Plan 2006 -2010, pages 104-105)."

As Table 2 illustrates, from 2003 - 2005, the City of Manchester's CIP initiated 479 units of housing, of which 377 were rental units not specifically for elderly people. How many of these units were eventually occupied by people in the homelessness assistance system is not known. However as we have seen in the Angelou and Housing Finance Authority reports, and the City's Action Strategy for Housing suggests, the emphasis has been on owner occupied housing targeting higher income households.

Table 2: 2003 - 2005 CIP Housing Initiatives

Project Name	CIP #	CIP Funds Approved	Other Monies Leveraged	Number of units	Type of Housing	Project Status
FIT 2nd St. Mill	610105	\$600,000	\$4,968,000	\$33	Rental	Complete
MNHS - 414 Silver St	611505 611606	\$450,000	\$11,000,000	\$65	Rental	In Development
MNHS - Down-payment	611305	\$210,586	\$546,000	\$11	Ownership	Underway
City Housing Rehab.	612005	\$300,000	\$1,695,000	\$23	Renovation	In Development
Old Wellington Rd	612504	\$1,000,000	\$10,000,000	\$90	Rental	Complete
MHRA - Gale Home	612204	\$650,000	\$4,621,745	\$37	Rental - Elderly	Complete
MNHS - Down-payment	612304	\$300,000	\$646,000	\$16	Ownership	Complete
YMCA 30 Mechanic St.	611404	\$260,000	\$1,085,855	\$24	Dormitory	Complete
Piscataquog River Apt	612703	\$600,000	\$16,000,000	\$150	Rental	Complete
MNHS - Straw Mans.	611403	\$450,000	\$4,959,029	\$30	Rental	Complete
MNHS - Down-payment	611406	\$200,000	\$	\$10	Ownership	Underway
Helping Hands -Perm Housing	610306	\$300,000	\$1,204,824	\$9	Rental	In Development
MHRA - Brown School	610206	\$380,000	5412731	\$34	Rental - Elderly	In Development
Totals		\$5,700,586	\$62,139,184	\$479		

Source: City of Manchester department of Planning and Community Development, 2/27/06

The affect of this policy is that emergency and transitional shelter providers have limited permanent housing options to which they can discharge their clients.

A further complication is Manchester's burden of being a destination point for transient and/or poor people. The system takes care of all those who seek assistance and is supposed to receive financial remuneration from localities of origin of homeless families. The Welfare Commissioner in an e-mail , Paul Martineau stated on March 14, 2006: "According to the New Hampshire Local Welfare Administrators Association-" Ethics Resolution", the identified community is liable for all assistance granted for 30 days. However, it is difficult to establish the community of residence for these homeless families, when these families have been living like itinerants." This places added burdens (financial and otherwise) on the system.

Housing Policies

The housing market in Manchester has responded to demands for ownership rather than rentals. According to the New Hampshire Housing Finance Authority

"In 2000 there was a 3% rental vacancy rate, somewhat lower than the statewide average. During the 1990s the rental stock increased by 705 units. However the rate of increase in rental units, at only 2.4% in the rental stock was small compared to the growth in the ownership stock of 15.9% (nearly 6.500 ownership units). The growth rate among senior households at 11.9% was slower than

that of the state at 18.1%.(New Hampshire Housing Finance Authority 2003, page 78)."

What this means is that:

"A household with an income at 50% of the median for that metropolitan area (Manchester) can afford only 3.6% of the market rate units in the City (New Hampshire Consolidated Plan 2006-2010, page 34)."

There is a shortage of affordable housing in Manchester. The New Hampshire Housing Finance Authority explains it this way:

"There are a number of complex factors that contribute to the acute shortage of housing, and particularly affordable housing. They include builder capacity, financial risk and the availability of subsidies. However, one major factor often cited by housing developers is community resistance to residential development and the degree to which the implementation of zoning, planning and other regulatory policies has created artificial barriers to the private market's ability to create needed new housing. The amount, type and affordability of housing in our communities are greatly influenced by local decisions. Those decisions are based on established laws and policies whose application and interpretation are critical to the development of a balanced housing supply (New Hampshire Housing Finance Authority, 2003, page 2)."

The City of Manchester, itself, articulated this problem in 2002. In discussing Manchester's economic growth, the City's Task Force on Housing offers these observations:

"Less obvious, but equally important, are the signs of a crisis in housing. The strong economy, coupled with limited production of housing, has led to the tightest housing market in a generation. Rents increasing faster than incomes, homelessness, difficulty in finding a single family home, families doubling up and tripling up in units and young adults moving back to their parents homes are all indicators of just how difficulty the housing market currently is. To make matters worse, rapidly rising rents and difficulties in finding any units hits hardest on those families least able to afford it. (City of Manchester, Action Strategy for Housing, 2002, page 1).

Rents increasing faster than incomes, homelessness, difficulty in finding a single family home, families doubling up and tripling up in units and young adults moving back to their parents homes are all indicators of just how difficult the housing market currently is. To make matters worse, rapidly rising rents and difficulties in finding any units hits hardest on those families least able to afford it (City of Manchester, Action Strategy for Housing, page 3)."

And the Angelou report repeats the theme:

"Manchester offers a wide range of housing options, but supply is thin in the low to middle segments of the market, with very little inventory in affordable, multi-family or single-family attached categories (Angelou Economics Report 1, page 11).

Which means, to paraphrase the Angelou report, the slow, but steady growth of Manchester's economy has created a gap between income and housing costs and there is a relationship between economic and housing market trends, all of which would have an effect on the City's most vulnerable residents.

Why? Because people who are forced to make the choice between paying their rent, or not, face a potential housing crisis every day and many simply cannot overcome the hardship -- especially when confronted with additionally complex social problems.

Changing Manchester's Policies and Value System

Where to Start

"Although the availability of homeless services have increased significantly during past decade, meeting the needs of people once they become homeless is not enough...A concerted national strategy is needed to prevent homelessness, and to end quickly discrete episodes of homelessness if they become inevitable. That strategy must include new housing resources as well as community building strategies that address the societal factors contributing to homelessness (Burt, page 1)."

"All discussion of emergency shelter carries the risk of drawing our attention from the cause of homelessness and turning it instead to questions of 'the way to operate a better poorhouse' for the dispossessed. There are those who are prepared to live with the idea that homeless people have deserved, and shall be offered, nothing more...We therefore need to ask what it will take to end the need for institutions of this nature altogether (Kozol, page 200)."

For the past twenty years, the United States has continued to be confronted by the problem of homelessness. Operating on the premise that homelessness, as a problem, is solvable, cities throughout the country have developed 10-year plans to end homelessness within their confines.

This approach is related to the Consolidated Plans that are developed by localities as part of their application for community development funds from the United States Department of Housing and Urban Development. These plans include information on how the locality will use federal funds in their anti-poverty initiatives.

Cities throughout the country have used a framework designed by the National Alliance as the basis for their own, unique plans. Cities such as Albany, NY, Evansville, IN, Quincy, MA and neighboring Nashua, NH, are among those that have followed a model developed by the National Alliance to End Homelessness.

That model operates with the following premise:

"While the seeds of homelessness were planted in the 1960s and 1970s with deinstitutionalization of mentally ill people and loss of affordable housing stock, wide-spread homelessness did not emerge until the 1980s. Several factors have affected its growth over the last two decades. Housing has become scarcer for those with little money. Earnings from employment and from benefits have not kept pace with the cost of housing for low income and poor people. Services that every family needs for support and stability have become harder for very poor people to afford or find (National Alliance to End Homelessness, page 1).

Homelessness, then, is part of a broader economic problem. In other words, if Manchester implements policies that address the root causes of homelessness they will also be:

1. Creating a positive economic climate that improves people's ability to afford or obtain permanent housing.
2. Promoting service welfare policies, which prevent homelessness and assist people who, due to lack of skills and knowledge, are unable to maintain their housing.
3. Creating a climate where the spectrum of available permanent housing opportunities is increased.

This approach: creating an institutional model of social services, as defined by Midgely:

"[An] institutional model consists of policies that play a front-line role in society and promote universal coverage and extensive social service provision (Midgely, page 25)."

within a climate fertile for true community economic development where

"conditions for individuals and families [improve] on the one hand and for the community as a whole on the other (Temali, page 3)."

Proposed Policy Changes

Implementing Policies That Can End Homelessness

The National Alliance to End Homelessness' Elements of a Plan to End Homelessness, include elements of both an institutional and developmental design. They are:

"Plan for Outcomes: Localities can begin to develop plans to end, rather than to manage, homelessness. There are two components. Every jurisdiction can collect data that allows it to identify the most effective strategy for each sub-group of the homeless population. Second, jurisdictions can bring to the planning table those

responsible for mainstream as well as homeless-targeted resources.

Close the Front Door: Homelessness can be prevented by making mainstream poverty programs more accountable for the outcomes of their most vulnerable clients and wards.

Open the Back Door: Where homeless people are already accommodating the shortage of affordable housing, this should be facilitated and accelerated. Where there is no housing, particularly for those who are chronically homeless, an adequate supply of appropriate housing should be developed and subsidized.

Build the Infrastructure: Ending homelessness can be a first step in addressing the systemic problems that lead to crisis poverty:

- 3. shortage of affordable housing*
- 4. incomes that do not pay for basic needs*
- 5. lack of appropriate services for those who need them (National Alliance to End Homelessness, page 7)."*

Step 1: Change the Stigma

Using the police as a primary entry point for homeless families creates a stigma of homeless people. The establishment of a centralized, intake system operated by a social service provider would be a first step. Implementing case management at this point, referrals to other services including: alcohol and substance abuse *detoxification programs*, mental health, health, education, and training will be greatly facilitated.

"While the national trend toward criminalizing homelessness continues, several cities are pursuing constructive, alternative approaches to dealing with concerns about homeless people. Through these approaches – which often involve collaboration between city officials, police departments, and business people on one hand and homeless people and their advocates on the other – cities attempt to proactively address the problem of homelessness and provide services for homeless people (National Housing Institute)."

Step 2: Create a Case Management Model

In order for Manchester to succeed in solving its homelessness problem it will need to start by creating a client centered, case management, strategy, including:

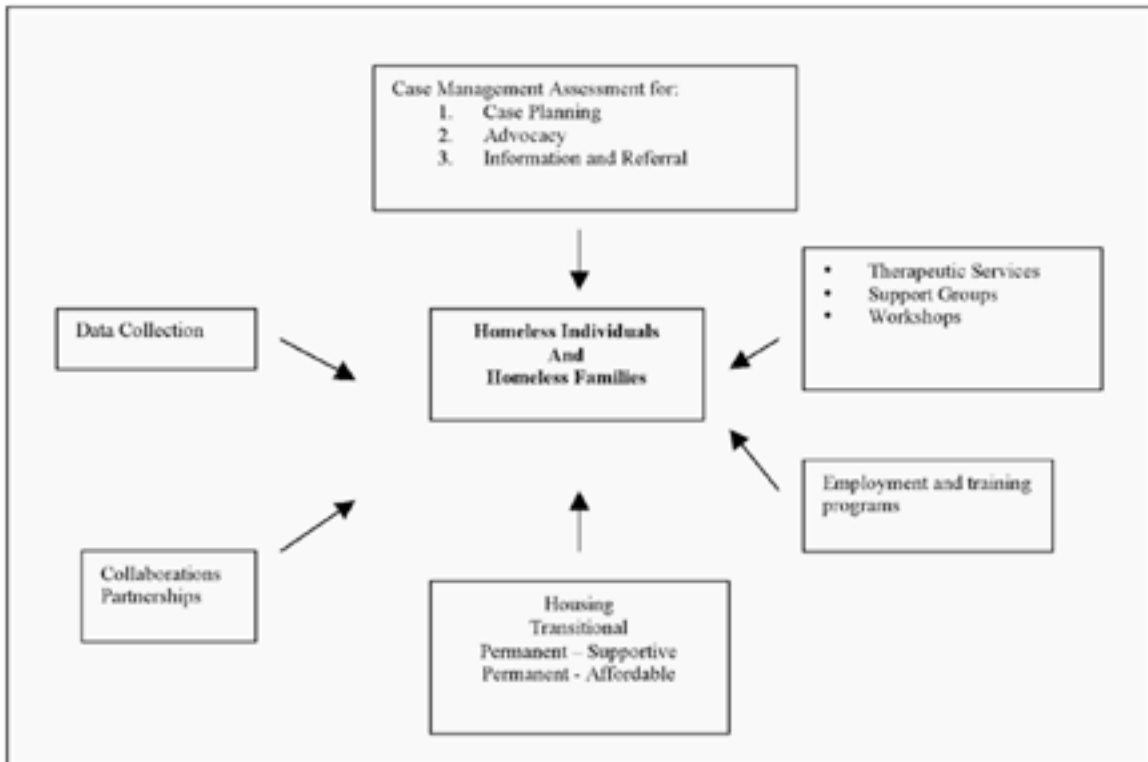
- **A Holistic Approach:** The reasons why someone becomes homeless are often complex because of the many different contributing factors. In order to implement a prevention

model, there needs to be an ongoing, coordinated, effort that involves the different service providers that work in different specialized fields. The case management approach should include all of the different service agencies that provide crisis intervention and ongoing treatment.

- A **Prevention Model**: There is direct relationship between the types and quality of assistance a person receives and the outcome of these services. Ongoing coordination between the different components of the service network is, therefore, essential for achieving success.

Figure 1 illustrates a client centered, case management, strategy that incorporates a holistic approach and prevention strategies. By focusing and coordinating all types of levels of service on the needs of a client, a stronger, more effective case management system is created.

Figure 1: Client Centered Strategy



Step 3: Create a Mechanism of Service Coordination

The creation of an interagency task force (combined with the creation of the Mayor’s Office on Homelessness) is a critical first step in addressing the many problems outlined in this report. Such a group could:

1. Facilitate communication among the various agencies and organizations that provide services to potentially and currently homeless people.
2. Develop and implement intake and discharge procedures.

Evaluating the effectiveness of programs requires standardized statistical material. Establishing a central intake system built in to an information management system would institutionalize the social services system and facilitate the case management it provides.

The existing residual system is built around a crisis response, rather than prevention model. Helping to keep people in their homes rather than allowing them to enter an emergency shelter system is both more cost-effective and humane. Evaluating the entire social welfare system and converting it from a crisis intervention to a prevention system should be the first mandate of the interagency task force.

Step 4: Implement an Economic Development Plan

The specifics of an economic strategy are not the purpose of this report. However there needs to be a plan. The State of New Hampshire and City of Manchester's democratic institutions are charged with the responsibility to design a plan. However, a plan will need to respond to the following:

1. The Angelou report is critical of the fragmentation of the existing job preparedness and training programs in the city. In fact, discusses how it was "revealed that it is sometimes difficult to find information on workforce training options because, while many are available, they are not properly promoted. Citizens need to be informed, so they can take advantage of these training opportunities. Manchester needs a single source of information about workforce development..."

2. Elsewhere, the report questions whether these programs actually provide training that is needed by the city's growth industries. These issues need to be addressed as part of this Plan. If living wage jobs continue to diminish and job preparedness and training do not focus on growth industries -- whatever they may be -- then the homeless service system will institutionalize and the number of homeless people will grow.
3. In those areas where jobs do exist, a job placement strategy needs to be combined with a housing placement strategy within the case plan. Without a job, people will not be able to afford housing and without permanent, stable, housing it is difficult to keep a job.

Step 5: Implement a Strategy for Creating Affordable Housing

The Housing Task Force, Angelou Economics and Applied Research reports all include specific recommendations on what an affordable housing strategy should include. Among the most important considerations are:

1. The Housing Task Force report discusses the need to obtain information that can help guide an affordable housing strategy. Making land available for such development is an important step, but knowing what land is available is the critical first step.
2. As the Housing report points out, one of Manchester's strengths is its large amount of available, former, factories.

Manchester will need to consider rezoning these for residential use and finding ways of encouraging their use for affordable housing

3. As the Angelou report states that Manchester will need to implement new economic development practices in order to foster employment and increased wealth among its residents. The involvement of the business community in the implementation and evaluation of this plan will, potentially, ensure that the most needy of Manchester's residents will not be left behind as the city moves forward.

Conclusion

"Vital cities have marvelous innate abilities for understanding, communicating, contriving and inventing what is necessary to combat their difficulties..."

Dull, inert cities...do contain the seeds of their own destruction and little else (Jacobs, pages 447-448).

The City of Manchester's persistent housing problem is symbolized by the persistence of homelessness among its residents. The trigger factors that are built in to the environment that leads to housing crises: economic development policies service delivery policies and housing policies impact on residents.

No policy single policy discussed can change the course of Manchester. Manchester's paradox is that creating jobs without housing that people

can afford, building housing for people not able to earn a living wage or creating a compassionate social welfare system without a way for people to live independently earning good wages and living in homes they can afford will simply exacerbate the existing problems. The challenge is to adapt comprehensive strategies that address each of these components.

If Manchester is a *vital city* it will *contrive* solutions that will incorporate each of these broad policies. Not adapting an integrated approach will label it *dull and inert*.

The existing residual approach suggests that Manchester is currently inert. It has yet to fully recognize the scope of the multi-causalities outlined here.

The stigma Manchester places on people with housing crises and the lack of accountability by and of the Welfare Department suggests a cavalier, *blame the victim* approach to social welfare. While this surely is not the intent of service providers, there is little to suggest otherwise.

As New Hampshire's largest city -- and the largest city north of Boston -- Manchester will continue to be a magnet for people seeking economic opportunities. In order to promote this growth, to evolve into a *vital city*, Manchester will need to:

1. provide greater economic opportunities for its residents
2. create a housing market that is responsive to the needs of residents

3. reduce the number of people who are homeless or potentially homeless

It will take time for Manchester to evolve into a vital city, but to residents of Manchester living within the confines of inertia:

"As the time draws nigh, glooming, a cloud,

A dread beyond, of I know not what, darkens me (Whitman page 370).

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