

**Jay P. Ruais**

*Mayor*



One City Hall Plaza  
Manchester, NH 03101  
603 – 624 – 6500  
[www.ManchesterNH.gov](http://www.ManchesterNH.gov)

**CITY OF MANCHESTER**

*Office of the Mayor*

July 31, 2025

Board of Aldermen  
1 City Hall Plaza  
Manchester, New Hampshire 03101

Board of Aldermen,

Emergency shelters here in Manchester, and across the State of New Hampshire, are stretched beyond capacity. Without strategic intervention, we risk further strain on police, EMS, hospital systems, and our taxpayers, vis-a-vis increased costs to the Welfare Department.

As you know, homelessness is fueled by a multitude of factors, such as unemployment, addiction, mental health challenges, and, critically, the absence of affordable units. We have made progress on this issue, implementing a number of initiatives to address this comprehensively, yet there is no silver bullet, or overnight solutions.

To maintain momentum toward permanent solutions, we propose a two-phase funding package to sustain 39 Beech Street for seven months, and subsequently launch a 20-bed shelter for homeless individuals who are aged and medically fragile. This new, high-barrier shelter, with winter warming capacity, would open on April 1<sup>st</sup>, at a new location for a period of an additional 12 months.

This meets the goals I have heard expressed by this Board, to close 39 Beech Street, while also caring for the homeless who are most vulnerable in our community, in a higher barrier setting, while providing for winter fatality prevention. Additionally, as you will note below, rent is also being reduced from \$30,000 per month, to \$6,000 per month.

For nearly 25 years, the City of Manchester has gone through a cycle of addressing this issue, opening and closing locations to address various homelessness issues. It is not in the best interest of the City, or those most in need, to shut down this shelter in 31 days, absent a plan.

What follows is an appropriately phased 19-month plan that will care for the most medically fragile and aged who are homeless, while providing for a warming location during the winter months to prevent loss of life.

39 Beech Street currently provides 40 emergency beds and serves an average of 40-50 unique day-guests at the Engagement Center, offering wraparound services that advance residents along the continuum of care.

Over the last year, we have realized the following successes through the Engagement Center:

- 55 have been housed
- 47 vital documents received
- 38 entered detox
- 17 have obtained employment

If funding lapses on September 1, approximately 80-90 individuals, including 10-15 medically fragile residents, will return to the streets with no plan of care, triggering costly hotel placements and emergency responses. The current, medically fragile demographic, consists of the following:

- 21 individuals with chronic health conditions
- 20 individuals with a physical disability
- 8 people using wheelchairs (2 due to leg amputations)
- 5 who are seniors (65+)
- 1 utilizing a walker, and 2 relying on oxygen 24/7

After reaching out to multiple entities and conducting additional research, we identified over 70 facilities across the State that assist in these types of cases. At last check, there was not a single open bed in the State of New Hampshire and the average wait time is 8-12 months. We cannot allow for these individuals to be left on the street in one month's time.

Background on funding for the seven-month proposed package:

- Over the last several months, we have been working with local hospitals to secure funding to cover the cost of the 39 Beech Street Shelter through the winter months to build a bridge of care for those medically fragile and aged among us into the future.
- To receive the dollars from these entities, the request I received upon this solicitation was the following:
  - The dollars granted by these hospitals will be leveraged to close the funding gap necessary to cover the seven months
  - The Board of Aldermen will commit funding for the successive plan for a 12-month shelter with winter warming capacity for the medically fragile and aged
  - We will stand up a Medicaid commission to identify a billing mechanism to continue operations beyond these 12 months

Funding Graphs:

Seven month proposed plan from September 1, 2025-March 31, 2026:

Category	Cost
Staffing	\$524,100
Rent	\$175,000
Food	\$10,500
Supplies	\$10,500
Waste	\$7,000
<b>Total</b>	<b>\$727,100</b>

Payment Source	Amount
Hospitals Contribution	\$250,000
Mayor's Office ARPA	\$143,492.84
City AHTF: FY26 Approved	\$50,000
Winter Warming from FY25	\$48,032
<b>Total</b>	<b>\$491,524.84</b>

This will require me to raise an additional \$235,575.16 which I am confident can be achieved based upon outreach I have already done.

As you know, per RSA 165, we are required to provide shelter, if necessary, via hotel, to those in our City who meet certain criteria. Crucially, keeping the 39 Beech Shelter open until March 31<sup>st</sup>, 2026, avoids approximately \$121,000 per month in potential hotel expenditures, delivering far greater impact at a fraction of crisis-response costs while preserving essential shelter capacity for Manchester's most vulnerable residents.

Additionally, maintaining this shelter through the winter months will avoid the logistical catastrophe that would occur if the Manchester Fire Department had to decentralize our winter warming approach to multiple locations around the City.

12 Month Proposed Plan from April 1, 2026-March 31, 2027:

Category	Cost
Staffing	\$427,080
Rent	\$72,000
Food	\$9,000
Supplies	\$6,000
Waste	\$4,500
<b>Total</b>	<b>\$518,580</b>

Entity	Payment
City AHTF	\$375,000
Welfare Dept. General Welfare for Temporary Housing Assistance	\$150,000
<b>Total</b>	<b>\$525,000</b>

The planned \$375,000 expenditure from the Affordable Housing Trust Fund (AHTF) will leave a balance of \$759,325.27 in the account, excluding the proceeds realized from two surplus properties recently approved for sale, which, at asking price, would add approximately \$1,360,000 to the Fund.

**Authorization Requested:**

To implement the above plans, I request that this Board:

- Grant me the authority to execute two six-month contracts, one with East Coast Evolution Leadership, and one with 39 Beech Street, running through the end of February 2026, with an optional one-month extension. This meets the additional request of the Board to exit the 39 Beech Street Shelter as quickly as possible. Please recognize that there will be fit-up costs for this new location that will be resolved and brought to the Board for consideration
- Approve the concept of this 19-month plan, with votes to follow at the September 2<sup>nd</sup> 2025 Board of Mayor and Aldermen meeting
- Allocate \$50,000 to 1269 Café to double its transitional-living units from 12 to 24. This no-cost-high-barrier housing supports sober men who commit to daily chores, volunteer service in the café, and random drug testing. Relapses are met with facilitated rehab placement, and graduates may re-enter upon successful program completion. 1269 Café, funded entirely by private donors, serves more than 100 individuals six days a week. With the reduction in shelter capacity from 40 to 20, these additional transitional beds, and the work we will undertake over the next seven months to place those in need into housing will close the gap for those impacted by the closing of 39 Beech Street

Residents selected for this new location will continue the high-barrier model proven at locations such as Liberty House. Case management and an on-site Residential Overseer will deliver wrap-around services that stabilize residents, help them build savings, and free beds for new entrants as graduates transition to permanent housing; maintaining a steady downward pressure on shelter demand.

Approving this plan at the Board's next meeting on August 5<sup>th</sup>, 2025, will enable the City Clerk to prepare the necessary CIP-amending resolutions and budget authorizations for passage at the September 2<sup>nd</sup>, 2025 Meeting. Thank you for your consideration of this request.

I stand ready to answer any questions you may have.

All my best,



Jay Ruain  
Mayor of Manchester