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# Lessons from the Field

*Mary Nee*

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**O**rganizational growth can fundamentally undermine the social-change mission of a nonprofit organization if the adaptive responses to growth are not continually checked against mission and vision. As the executive director of a U.S. nonprofit created in response to the crisis of homelessness, I have observed that this danger is particularly acute when an organization evolves from advocacy to service delivery.

Over the past thirty years in the United States, organizations that were established to end homelessness grew and adapted to external conditions that led to a new kind of organization: the “homeless services agency,” which provided many worthwhile services, but ultimately did not end homelessness. On the contrary, the homeless population in Massachusetts (where I live and work) and across the nation has grown significantly with estimates upwards of 24,000 in Massachusetts and 3.5 million homeless in the United States today.<sup>1</sup>

The experience of U.S. nonprofit homeless service organizations during this time, including hopeFound, the organization I lead, demonstrates how organizational growth diverted the sector from its original social-change vision of “ending homelessness,” which at its most fundamental level, means access to affordable housing and an income.

For emerging social-change nonprofits in Israel, the U.S. nonprofit sector’s response to homelessness serves as a stark example of the unintended consequences when collective action is institutionalized and staff transformed from agents of social change to stakeholders of a system.

Instead of solving a societal crisis, the U.S. homeless services sector fostered the

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growth of a new classification of citizens, “homeless people,” who required specialized services. Over time, the sector moved from the goal of delivering short-term emergency services, with an assumption of ending homelessness, to long-term service models in which the people served became clients in an ever-expanding system of emergency — but paradoxically permanent — shelters.

Over the last decade, this sector has come to realize the implications of its adaptation to growth. This knowledge has forced a reassessment of how best to end homelessness, the conclusion of which is that the best approach is to place everyone in housing. This new perspective is driving another shift in public policies and in public and private funding; once again, homeless service organizations need to learn, adapt, and transform.

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## **Background, Advocacy, and Homelessness**

In the late 1970s and throughout the 1980s, faith-based and grassroots community organizations in Massachusetts and around the country began to advocate for public policies to address a growing and visible presence of homeless people living on the streets of major cities. This period witnessed a convergence of structural economic factors that caused a rapid increase in the number of homeless, literally driving people onto the streets. These factors included rapidly rising housing prices, dwindling employment opportunities for those with a high school education or less, the closing of mental health institutions, exclusionary zoning practices, and a reduction of federal funding for public housing and job training.

The response to the growing number of street homeless was to open emergency shelters managed by a combination of public and nonprofit agencies. Many of these shelters were operated by the original homeless activists, who, in order to receive public and private funding, incorporated as registered nonprofits, recruiting boards of directors and hiring administrative and program staff.

From the early 1980s until the present day, this homelessness service system grew both in scale and scope. As organizations gleaned insights into the social and economic barriers that caused homelessness, they expanded their services to address these conditions to make an individual or family “ready for housing.”

Federal policies and funding supported the growth of this sector, especially with the passage of the McKinney-Vento Act in 1987. Administered by the federal Department of Housing and Urban Development, the legislation funded emergency shelter, food, mobile health care, and transitional housing. Today, the federal government spends over \$2 billion for homeless services<sup>2</sup> with Massachusetts state government spending an additional \$120 million.<sup>3</sup>

This funding spawned many new services for the homeless and brought new kinds

of professionals to the sector, including medical providers, mental health counselors, case workers, and employment specialists. People staying in shelters became “clients” with individual, linear-sequenced service plans that charted their progress toward “readiness” for housing.

In addition, homeless services agencies were initially focused on shelter and support services rather than on permanent housing. By the 1990s, however, many organizations expanded beyond the social service model and developed internal divisions to build and manage housing. This new organizational adaptation required another whole set of professional staff, including project managers, architects, and financial analysts.

This expansion also generated new financial pressures; the demand for capital ushered fundraising professionals into the field to manage annual giving, capital campaigns, and major donor programs. To support these activities, organizations began to recruit a new kind of volunteer to sit on boards of directors; instead of the social activists, religious leaders, and agency clients who had traditionally populated these boards, organizations now required leaders with access to money and political influence.

By the turn of the twenty-first century, the paradigm of homeless services again began to shift as organizations and funders adopted the Housing First approach, a philosophy of rapid rehousing.<sup>4</sup> Housing First posits that vulnerable homeless are more responsive to interventions and social services *after* they are in their own housing, rather than while living in shelters or transitional facilities. In this model clients are given “keys” — immediate access to permanent independent apartments — in combination with intensive treatment and support services. Participation in treatment or sobriety is not a precondition for housing.

The Housing First model finds support in a growing body of research on homelessness that points both to the efficacy of rapid placement in housing and the money saved by reducing the need for shelters, emergency rooms, and intervention by the criminal justice system.<sup>5</sup>

A *New Yorker* article by Malcolm Gladwell, “Million-Dollar Murray,” vividly illustrated this approach, chronicling the experience of Murray Barr, a chronically homeless man in Reno, Nevada, who regularly received emergency services. Officials calculated that over a ten-year period, the services Murray received cost well over one million dollars. These costs would have been substantially less if he had received subsidized housing instead.<sup>6</sup>

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## **hopeFound**

hopeFound began in 1983, when Michael Dukakis, then the Governor of Massachusetts, opened an emergency shelter in a local public hospital. Six months later, a group of

community leaders formed a nonprofit organization, hopeFound, to provide advocacy and fundraising support for the shelter. After a few years, the hospital ended its direct management of the shelter, contracting operations to hopeFound.

I joined hopeFound just over five years ago and found an organization that had grown and adapted under the old paradigm of homelessness services. In assuming the management responsibilities for an emergency shelter from a public hospital, hopeFound had followed a fairly typical path for homeless services organizations with program expansion into addiction treatment, employment services, HIV counseling, and street outreach.

In the early 1990s, hopeFound purchased one twelve-unit lodging house as an affordable housing initiative, but this effort was not subsequently repeated due to capacity limitations and an internal perspective that it was primarily a “service organization,” helping adult men and women overcome homelessness through treatment and counseling.

On my first tour of hopeFound’s emergency shelter, managers proudly pointed to the sparkling facility and the great respect that shelter guests could expect from the staff. At the same time, I was dismayed to learn that a cohort of twenty-six guests had been living in the shelter more than five years; one individual had lived there an astonishing nineteen years. Managers did not see this situation as problematic, however, because staff perceived these individuals as incapable of living independently. These guests were happy because other guests and staff in the shelter formed their community and support network.

I also learned that government support for the emergency shelters was based on occupancy levels, how many people were in beds. Lengths of stay in the shelter were neither time-limited nor comprehensively tracked.

Today, five years later, I am proud to say that all of these twenty-six guests have been placed in housing; that every quarter we measure all of our programs against specific, time-bound outcomes, (including lengths of stay); and that we have a rapid rehousing initiative in the shelter so that within seventy-two hours of arriving at our door, all guests undergo an assessment and receive referrals to housing and employment counselors.

Additionally, without building a single unit of new housing, hopeFound has secured federal subsidies for rental housing and, through partnerships with a host of public and nonprofit housing developers, has achieved close to 510 placements to affordable housing during this time. Housing placements are no longer guided by individual readiness criteria; instead, housing is the first response, followed by at-home support services, if necessary.

To achieve this organizational transformation, the board and staff had the difficult task of honestly measuring programs and services against the agency’s

mission and vision. But first, new shared vision was required; hopeFound's mission statement had evolved from a principled statement of ending homelessness to a list of services; what we did for clients rather than our vision of a society free from the scourge of homelessness.

So through a structured strategic planning process, the board and the management team reflected, debated, and ultimately developed a new statement of mission, vision, and values.

This planning was greatly assisted by external currents. The urge to change became not just a philosophical debate, but a necessity driven by new realities: major funders, both public and private, were moving away from the old model of service. Future funding would be at risk if the organization did not adapt.

The organization adopted a new vision statement that emphasized ending homelessness through providing permanent housing and a set of values that began: "shelters are an unacceptable form of permanent housing."<sup>7</sup> These decisions formed the foundation of hopeFound's adaptation.

Underpinning this organizational change is an outcomes measurement system that aligns the organization's mission with program services and client outcomes. These outcomes drive all services. We review data quarterly and report results widely, both within the organization and to external stakeholders. This year these outcome measures informed the performance plans and evaluations of every hopeFound employee.

For some staff and board members, the transition was too difficult. For a period, we needed to accept the high-level turnover we experienced. For those that remained — and the new staff and board members who sought to be part of our new model — the change has been exciting and rewarding but also exhausting, constantly stretching our organizational capacity.

Once again, external forces are driving hopeFound's future direction, in that both public and private funders are shifting dollars from emergency services to homelessness prevention, diversion from shelter, and permanent housing. As an organization that has adapted by confronting the realities of its external environment, measuring impact, and keeping our mission forefront in all we do, I believe we are prepared to evolve in a direction that will preserve the social change role for which we were established.

My colleagues, leaders of nonprofit social change organizations in Israel, can learn significant lessons from the U.S. response to homelessness. Since the election of the Likud government in 1977, Israel has embarked on a policy of decentralization and privatization of social services to the nonprofit sector.<sup>8</sup> This policy has led to the rapid growth of Israeli nonprofit organizations, which have increasingly assumed functions, including the provision of affordable housing, that the government previously managed.

As a member of the Haifa–Boston Learning Exchange Network, I frequently found myself challenging my Israeli peers not to “adapt” to the increasing social service needs of their constituents for housing and food but to fight for the social safety-net system that existed for more than forty years in their country, a system that guaranteed housing, employment, and health care to each citizen.

Unfortunately, This principled response does not reflect the realities and direction of Israeli public policy. While a return to the broad-based publicly supported safety-net is unlikely, Israeli NGOs can avoid the errors of their U.S. counterparts on issues of housing and homelessness by adapting in ways that allow them to remain true to their social-change missions. In the area of homelessness, I would suggest one way for my colleagues not to lose track of their mission: listen closely to what people who are homeless always respond when asked what they need — a permanent home.



## Notes

1. National Coalition to End Homelessness, [http://www.nationalhomeless.org/factsheets/How\\_Many.html](http://www.nationalhomeless.org/factsheets/How_Many.html)
2. Ibid.
3. “The Special Commission Relative to Ending Homelessness in the Commonwealth (under Chapter 2 of the Resolves of 2006 and Chapter 1 of the Resolves of 2007),” December 28, 2007, <http://www.cmhaonline.org/documents/HHB/ReportEndingHomelessness%5B1%5D.pdf>
4. “Pathways to Housing,” [http://www.pathwaystohousing.org/content/housing\\_and\\_services](http://www.pathwaystohousing.org/content/housing_and_services)
5. “Home and Healthy for Good, A Statewide Housing First Program Progress Report,” December 2009, [http://www.mhsa.net/matriarch/documents/HHG\\_December%202009\\_FINAL.pdf](http://www.mhsa.net/matriarch/documents/HHG_December%202009_FINAL.pdf)
6. Malcolm Gladwell, “Million-Dollar Murray,” *New Yorker* 82, no. 1 (February 13, 2006): 96.
7. hopeFound Strategic Plan, 2007–2010.
8. Nitza Nachmias, “The Government of Israel’s Control of NGOs,” Department of Political Science, University of Haifa, 1998.