


2019

Mercy Housing Annual Report







As 2019 drew to a close, we found ourselves reflecting on a year of strategic planning. I am struck by the clear vision that emerged from the focused process – resident impact, our North Star. It has been affirming for me that this new plan is an evolution that focuses on our roots. Access to stable homes as a platform while focused on opportunities for residents has always set us apart.

We're proud to see our dedication to diversity, equity, and inclusion transcend words and stay true to our mission through action as we double down on our resident-centered approach. That action is taking form in resident-led endeavors, to give people access to stable homes and essential opportunities that support them and meet them on their terms. Together, and only together, will we continue to strengthen communities in need. I cannot wait to see what's next for Mercy Housing.



Jane Graf
President & CEO

After 33 years of service to Mercy Housing, Jane announced her intent to retire in 2020 as President and CEO. She leaves us with an organization well positioned and well prepared to continue to address the affordable housing crisis in our country. Jane's faithful call, inclusivity, and passion for people that call Mercy Housing home will forever be treasured as an example of true leadership and passion. We wholeheartedly thank Jane for her leadership and service.

While the organization's leadership may change, our commitment to creating affordable homes and inspiring dreams as we work with residents and partners to establish engaged, strong, and inclusive communities, remains stronger than ever with our clear North Star.

I am grateful for the vital work of many in support of the residents of Mercy Housing. When we come together to work together, our impact knows no bounds.



Sr. Linda Werthman, RSM
Chair of the Board of Trustees

Paradise Lost, Then Found

"The embers were falling... I looked outside and it was just black, it was so dark... and then I looked across the road and the fire was already hitting the houses right across the street from me," Brent recalls of the morning when flames enveloped his Paradise, CA home. Smoke was first reported around 6:30 a.m., and in less than two hours, the blaze was devouring Paradise, taking 86 lives and 14,000 residences in what has come to be known as the Camp Fire. Brent had been living there since 2014 and was 61 years old, retired, and coping with a recent multiple sclerosis diagnosis.

Brent speaks fondly of his early life, remembering how he moved to Hawaii when he was just 18 years old, pulled by his love of surfing. He returned to California to take care of his ailing father, and then mother when she was battling cancer. Brent was fond of Paradise; it was home, but the Camp Fire turned those fond memories to ash.

"It took everything in my entire life; I have nothing. I lost my

dad's WWII uniform that he had from the Army and all his medals, and he had purple heart. It was a lot of very sentimental things. Furniture and TVs and computers and all that stuff I lost, that can all be replaced, but these other things are gone forever. It was heartbreaking. Every day I still cry a little bit over it because I'll never see it again."

It took everything in my entire life; I have nothing. It was a lot of very sentimental things.

— Brent, Mercy Housing Resident

The Search Begins

The night he lost his home, Brent slept at a friend's place. The next morning, he went to a shelter for 18 days. Shelters are just that, a shelter, not a home. Brent went to Sacramento where he had a cousin that let him stay while he got on his feet and looked for a home. Housing options were sparse, and the jump in demand raised prices considerably.

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Photo Credit: Noah Berger

Six months after the fire, Brent was feeling desperate. He'd been swimming in red tape applying for housing. Brent was a former surfer and photographer, had opened a restaurant, and had spent his career helping people battle addiction when he was a counselor, all while becoming a father and grandfather. Much of his career was spent helping those in need, and then he was the one in need. His voice is calm when he recalls his early life, but quivers when he speaks about those six months without a place to call home. For the first time in his life, he couldn't provide for himself. Keeping a roof over his head hadn't been a problem until his roof went up in flames.

"Out of all the places I applied to rent and got on waiting lists for, [Mercy Housing] was the only [one] that contacted me. I thought, 'there's got to be something special about this place.'"

Finding Hope

Mercy Housing responded to Brent with the good news that

he was invited to move into St. Francis Terrace community in Sacramento. His life stabilized, but things are different now. He lost cherished family heirlooms and years' worth of photos in the Camp Fire, but also, his sense of place. Starting over in a new city isn't easy, and climate change is likely to create more stories like Brent's.

there's got to be something special about this place.

— Brent, Mercy Housing Resident

People with low incomes and disabilities are profoundly more susceptible to the effects of climate change displacement. Low-income families live in neighborhoods with greater exposure to extreme weather events due to cost and access. Natural disasters are happening

more frequently and with more severity than ever before, and these disasters – wildfires, rising temperatures, and frequent drought – are taking their toll.

The California Department of Forestry and Fire Protection cited the unusually dry fall and gusting winds as the causes for the Camp Fire's severity. These unusual factors are predicted to be the usual as climate change persists. You can count deaths and injuries, but how do you measure the emotional loss of a home, the loss of place? Before the Camp Fire, Brent had a stable home.

An unpredictable climate has the power to destroy people's self-sustaining capabilities. Without Mercy Housing, Brent's future would be uncertain. With more natural disasters predicted, it begs the question of how communities will provide for increasing numbers of people that have lost everything unexpectedly. For affordable housing, climate change isn't just a concern of the future, but rather a threat of today.

A Voice for Justice and Mercy

Climate change has and will continue to worsen the lack of housing availability. Research proves that climate change disproportionately harms people with low incomes, but that fails to tell us how many people with stable middle incomes, homeowners, could lose that security too. Lessons learned from affordable housing offer a warning for what climate change could mean for the country's housing stability.

People like Brent might have come to Mercy Housing with few possessions, but they offer a wealth of experience. Residents' stories of climate change displacement reveal lessons to learn. They help us recognize the need to draw attention to the nexus of affordable housing and the climate crisis. Our environmental sustainability program, Green Hope, is helping us to do just that, all while reducing our communities' consumption of natural resources, reducing our waste, and creating healthier living environments. The plight of our country's low-income families isn't separate from the broader community. We're bound through shared schools, hospitals, and neighborhoods – the things each one of us needs to prosper. Mercy Housing's success with affordable housing hinges on partnerships and that irreplaceable sense of community. Working together is the only way that we can face climate change with hope.



Housing, Healthcare, and Peace

PeaceHealth hospital system, sponsored by Sisters of St. Joseph of Peace, donated land and \$2.4M to Mercy Housing Northwest to build family housing near their hospital in Vancouver, WA.



Residents Healing Residents

Mercy Housing Lakefront launched an innovative Community Health Worker Program where case managers support residents to manage their own health through efficacy – four of these case managers are Mercy Housing residents, offering a powerful peer-led experience, and 33 residents have reported positive changes in their health.



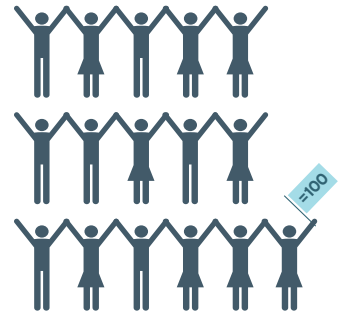
Partners for Prevention

Morehouse School of Medicine, Mercy Care, and Managed Care Organizations partnered to provide preventative healthcare at Mercy Housing Southeast senior communities in the Atlanta area and delivered over 270 essential food boxes monthly.

We have participated in the development,
preservation, and/or financing of

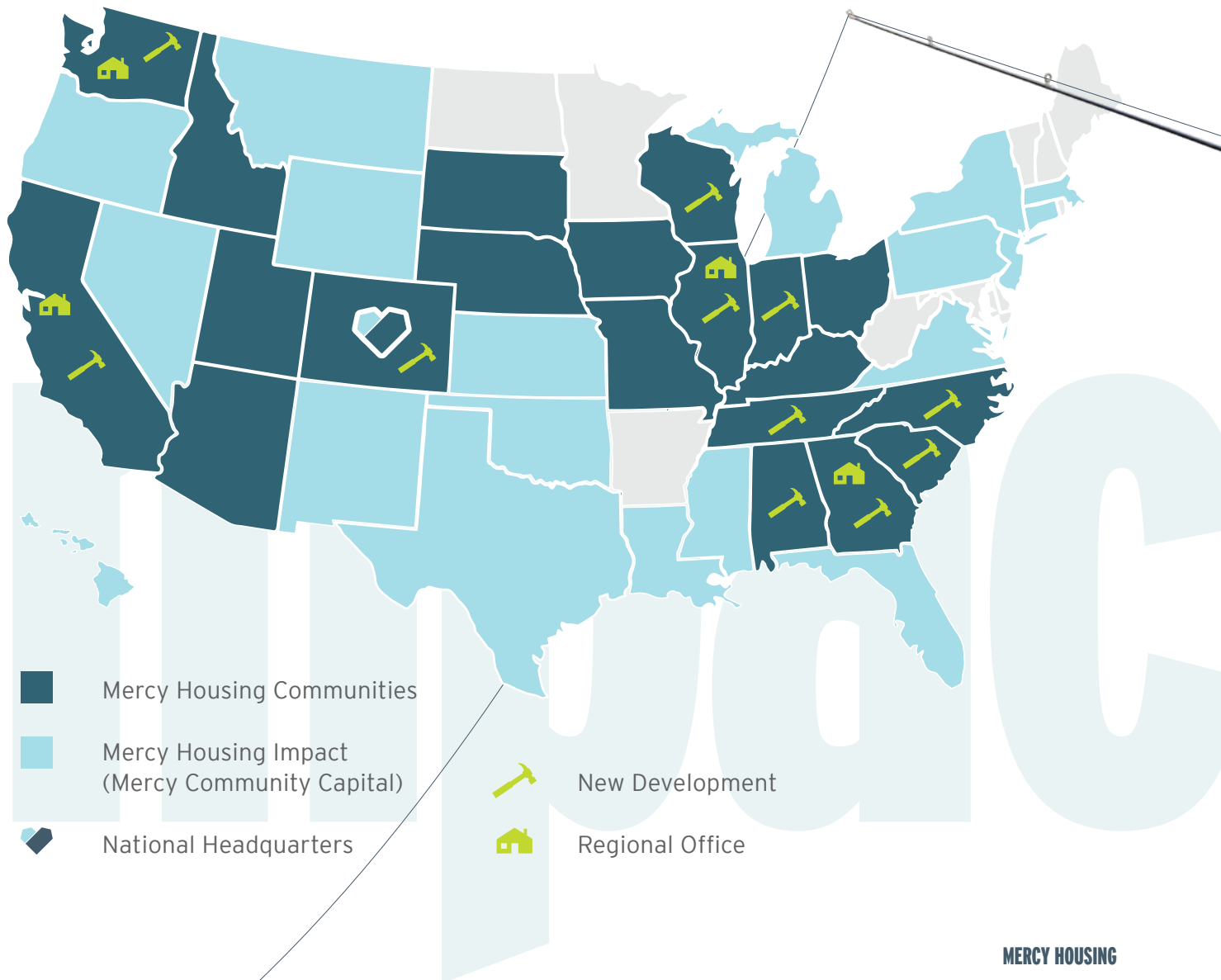
58,000+

affordable homes over 38 years



1,593

**Employees Across
The Country**



Properties

342

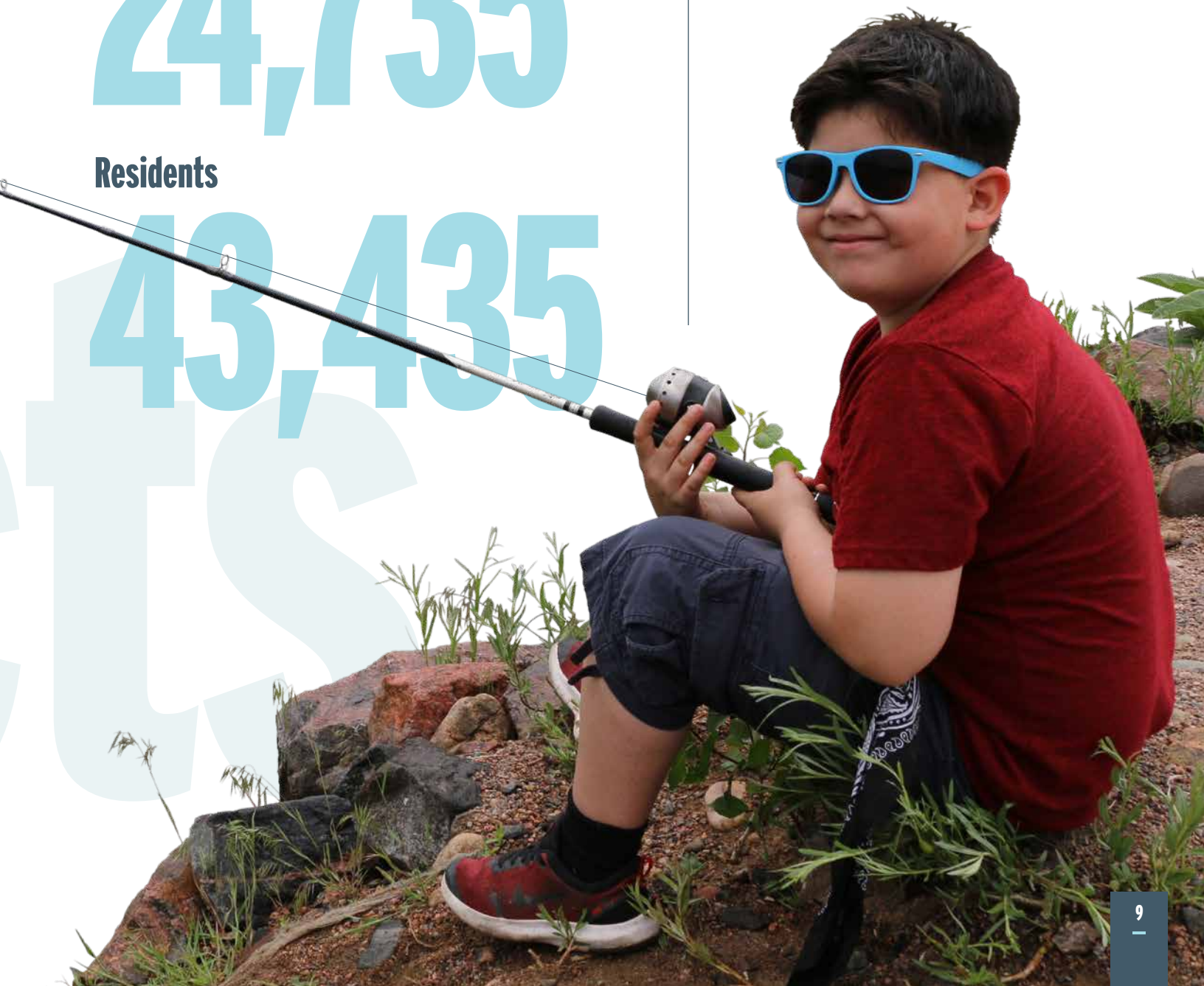
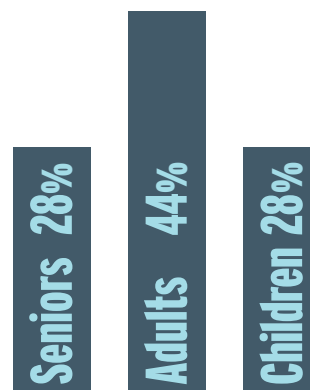
Apartments

24,735

Residents

43,435

Resident Demographics





This Land is Your Land

Children that live in Mercy Housing Mountain Plains explored a little nature close to home that they previously hadn't known. Malik Wilder of Fishing For Hip Hop and Colorado Parks and Wildlife gave resident kids fishing lessons, along with the assurance that they're welcome in their community's protected lands.



Leading the Way

Sabrina wants to be a state representative and is well on her way. A former resident of Mercy Housing California's Britton Courts, she now attends Colombia University and was named 2019 National Youth of the Year for the Boys & Girls Club, which included an impressive \$100,000 scholarship and a new car!



Home, Casa, Nyumbani, Accueil

Students can stay connected and work on homework with the latest technology thanks to National Real Estate Practice of EPIC Insurance Brokers & Consultants. For the fifth year in a row, they have made a donation to support resident programming – this year donating Chromebooks with essential software. Their dedication to equitable education supports young residents as they look to their futures with optimism.



In pursuit of our goals of reducing consumption of natural resources, through retrofits, we:

Reduced energy use by

25%
at more than
308 ⚡
properties

===== and =====

Reduced water consumption by

31%
across
280 💧
communities

Average length of residency

6.5 YEARS

Average annual household income

\$16,896

252

Properties offer resident services programs to help people build better lives



Mercy Housing provided over

626,000

services, to more than

23,000

residents

2,000

Residents logged more than

15,000

volunteer hours at 142 properties



11,000

residents received food assistance through food pantries, meal delivery, summer lunch programs, and more



We helped more than

1,000

households sign up for SNAP benefits, doubling our goal.

We distributed over

1,500,000 lbs

of food, exceeding our goal by more than three times

We hosted and assisted in the delivery of

900

nutritional workshops, serving over

2,600

residents at 137 properties



community

Opportunity Knocked, Residents Answered

Mercy Housing asked community members in Seattle, WA, how can we support families in their neighborhood? We listened, and together, we created Mercy Magnuson Place. Families earning low incomes wanted opportunity, the same opportunities that we all need to be successful and healthy – stable housing, education, and healthcare – the pillars of vibrant neighborhoods.

Nestled in one of Seattle's largest parks, Mercy Magnuson Place is a 148-home community that opened in the spring of 2019. Our nonprofit partners are helping us to offer more than a place to live; it's a place to thrive, a place to call home. Denise Louie Education Center offers six classrooms onsite for children and parents to access childcare, while Neighborcare

Health teaches health education and preventative care. The Nomi B Community Room (named in honor of the Brettler family) has innovative Out-of-School Time programs, financial well-being workshops, health and wellness classes, and community activities. Resident families are close to walking trails, athletic fields, playgrounds, and Lake Washington's beaches, but converting barracks into family homes wasn't a walk in the park.

Mercy Magnuson Place was once Sand Point Naval Air Station Building 9 barracks and had been sitting vacant for 20 years. To refurbish and preserve the historic site required precious care while meeting the needs of families. During the planning process, Mercy Housing knew that access to food was a priority for future residents.

The University District Food Bank, YMCA, Solid Ground,



and Mercy Housing Northwest partnered to make sure that residents had healthy food. Together, we launched the Magnuson Park Community Food Pantry. Both residents and community members from the surrounding neighborhood can stop by for this weekly pop-up food pantry.

Ida, a Mercy Magnuson Place resident, says, “I like the fact that they have a cooking demonstration using food from the pantry. A lot of people don’t know how to cook some of the food they receive from the pantry. The recipes help a lot!”

With all the stress and negativity in the world, it is great to be part of something positive – people helping each other.

– Lisa, Community Volunteer

What’s vital to this community’s continued success is how integrated the greater Seattle community is with what’s happening onsite. In just five months of being open, volunteers stacked up 400 hours of service

at the food pantry alone.

Lisa has been a community volunteer who has been enjoying getting involved too. “With all the stress and negativity in the world, it is great to be part of



something positive – people helping each other.”

A guest chef even provides monthly cooking and canning demonstrations while monthly family meal nights are an opportunity for everyone to get to know their neighbors. Volunteers help with homework clubs, back-to-school events, and field trips to university campuses. Opportunities are bountiful at Mercy Magnuson Place. After years of planning and unparalleled partnerships, residents, volunteers, and staff have come together and live as one community.



Groundbreaking Success at Sunnydale

Sunnydale HOPE SF Project is San Francisco's largest public housing redevelopment. Mercy Housing and The Related Companies will together provide 1,700 mixed income, market-rate, and affordable homes. Streets, utilities, and the park will be upgraded, with a new Boys & Girls Club. Sunnydale's first new affordable apartment building, Casala, opened this year with 55 homes for families.



Building Hope with Homes

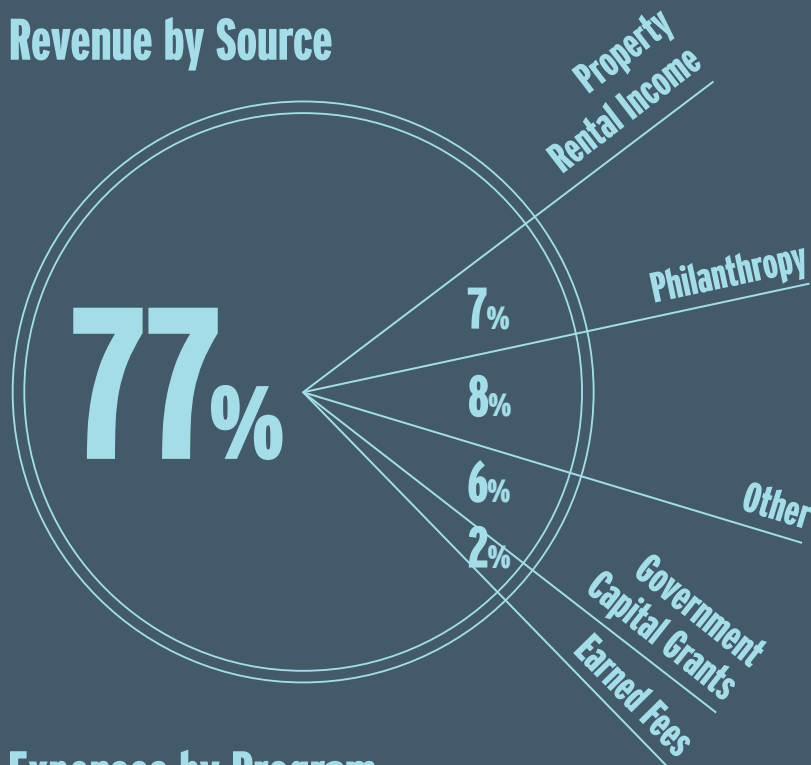
We opened five new communities that offer 396 homes and rehabilitated five communities with 598 homes. That means that more families, seniors, veterans, and people with special needs will have a place to thrive.



Stronger Than Ever

Mercy Community Capital, Mercy Housing's CDFI, hit a 35-year high with net gross closings topping \$40M, translating into \$750M in development for the people that matter most; residents.

Revenue by Source



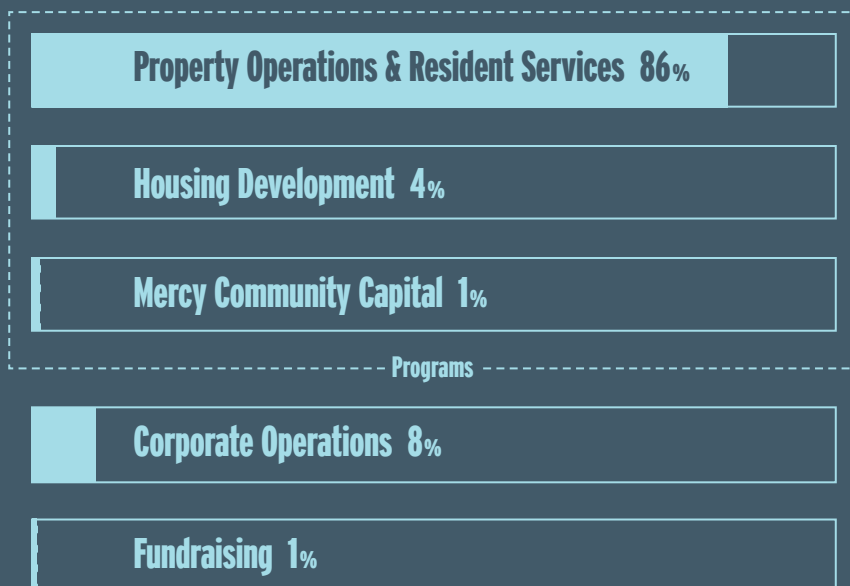
\$4.46 Billion

in affordable real estate development since 1981

\$393 Million

in affordable housing lending since 1981

Expenses by Program



\$2.97 Billion

in pipeline for future affordable housing developments totaling 8,383 apartment homes

90%

Program Efficiency Ratio

Percentage of organizational expenses that goes directly toward Program Activities



Doing What's Right

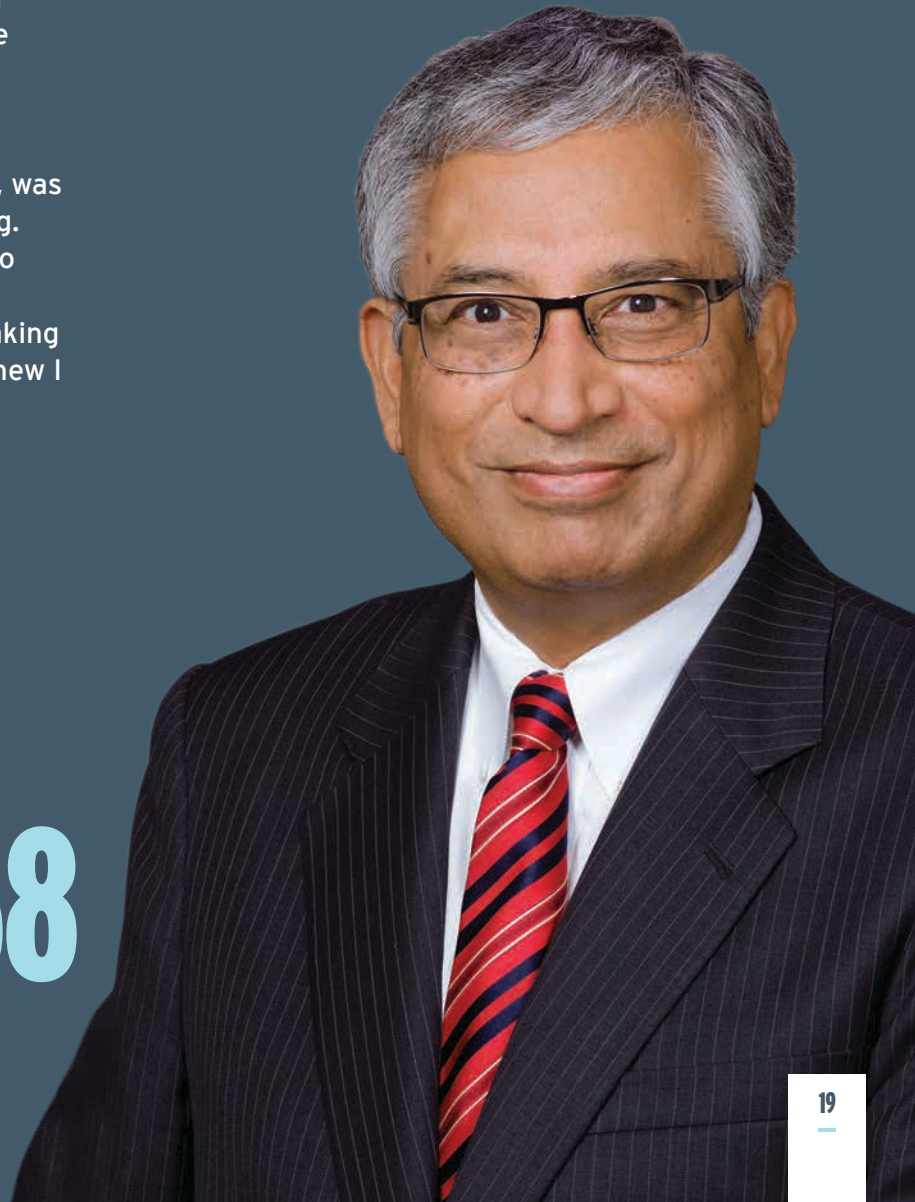
Shekar Narasimhan, longtime Donor and Supporter

I believe if you have the means, you have the obligation to give back to society. I learned that from my parents and have carried this ethos with me my entire life. Mercy Housing ties opportunity to home, and that's powerful because home is about family and feeling supported. It should be a place where you break bread with people you care about.

Mercy Housing's work is extraordinary because of what they're doing for society as a whole. I discovered the organization through Sister Lillian. She impressed me and I saw that she was fearless. She wanted to do what was best for the organization. I was contracted to help with some pivotal organizational restructuring at, what I would later find out, was a transformative moment for Mercy Housing. I couldn't believe how willing they were to do what was right, but not necessarily easy. I recognized the lasting impact they were making in the communities that needed it most. I knew I had to stay involved and have ever since.

I donate every year and have done so for 15 years. Giving isn't just a transaction for me; it's my way of staying active about the

issues that I care about. Donating to Mercy Housing is an investment in the greater good. A donation is more than something financial; it validates work, and it's important to make giving personal. Their focus on Resident Services is what stands out. I've watched them push themselves and the affordable housing industry to evolve. It's why I continually give. They're truly invested in people, not just building properties. I've witnessed former residents recalling their experiences at Mercy Housing; it positively influences people's sense of self for the rest of their lives.



Total Donations Raised

\$11,056,068

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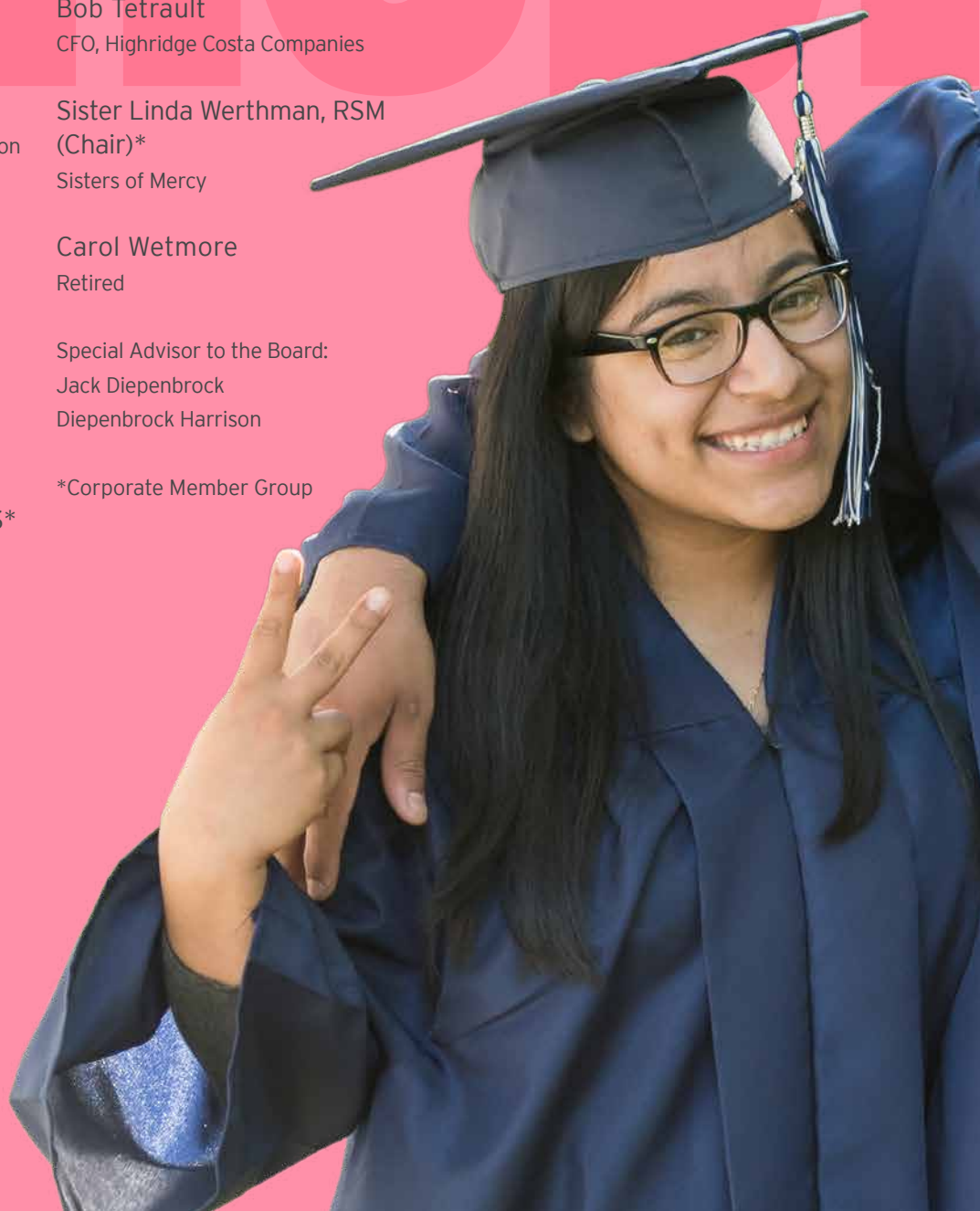
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900

youth participate
in out-of-school
time activities
each month





In Loving Memory

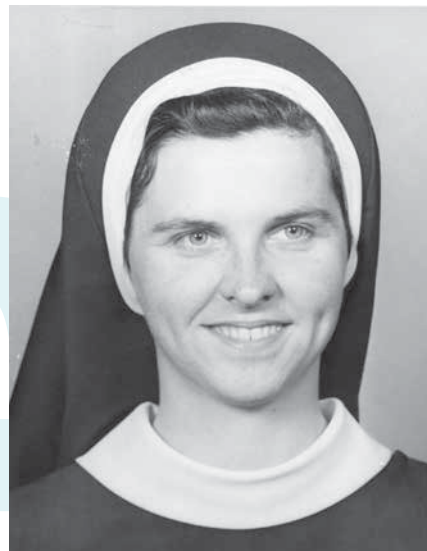
Sister Lillian Murphy, RSM (1941 - 2019)

Sister Lillian Murphy served as the Mercy Housing President and CEO from 1987 through 2014.

"Sister Lillian balanced fearlessness with pragmatism and got more done than anyone could've imagined," remembers Jane Graf, Mercy Housing's current President and CEO.

"Her work lives on today with a vision and core principles that guide every decision that we make as an organization."

You can't talk about Mercy Housing's success without mentioning Sister Lillian. As we reflect on 2019, we honor her legacy that will continue to make a positive impact for generations to come. Before her, Mercy Housing was a small, regional organization, and she turned it into a nationwide system that serves over 42,000 residents, with 1,593 employees in 20 states.



Sister Lillian's motto, "peace," lives on today through the stable homes and life-changing Resident Services that she helped create. Her achievements inspire us to look humbly to serve those most in need. Sister Lillian was awarded an honorary Doctorate of Humane Letters by University of San Francisco School of Nursing, was named Housing Person of the Year by the National Housing Conference, and was inducted into the Affordable Housing Hall of Fame by "Affordable Housing Finance."

Sister Lillian said that she has... "every confidence that Mercy Housing will continue to bring hope to those we serve for many years to come."

It is our honor to carry on the work she cared about so deeply.

About Us

Mercy Housing is a leading national affordable housing nonprofit that serves tens of thousands of people with low incomes every day. Founded by the Catholic Sisters in 1981, and with operations in 41 states, MHI has 38 years' experience developing, preserving, managing, and financing affordable housing. MHI's subsidiaries further the organization's mission: Mercy Housing Management Group offers professional property management and Mercy Community Capital finances nonprofit organizations.

Our mission is to create stable, vibrant, and healthy communities by developing, financing, and operating affordable, program-enriched housing for families, seniors, and people with special needs who lack the economic resources to access quality, safe housing opportunities.

Mercy Housing Founding Communities

Daughters of Charity, Province of St. Louise

Daughters of Charity, Province of the West

Sisters of Bon Secours, USA

Sisters of Mercy, South Central

Sisters of Mercy, Northeast

Sisters of Mercy, West Midwest

Sisters of St. Joseph of Orange

Sisters of St. Joseph of Peace

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