



mercyHOUSING
Impact Report 2021



2021

began much like 2020 ended, as Mercy Housing continued to navigate a global pandemic. Despite the many unknowns and challenges of COVID-19, 2021 was a year where we worked together and made good progress toward our strategic goals.

The strength and resilience of residents and staff to move forward, adapt, and be there for one another was inspirational. We are more determined than ever to expand our vision for a better future – where everyone has a stable, affordable home, and a place to pursue their dreams.

Together, we continued to help residents overcome barriers while addressing the social determinants of health. By providing access to local food banks and distributing food door-to-door, organizing over 80 onsite COVID-19 vaccine clinics, or offering support groups, we know that beginning with high-quality, program-enriched housing improves health outcomes and is a critical element for creating health equity.

In a year of continued economic uncertainty, our primary goal was to help residents stay in their homes. Our staff helped Mercy Housing residents access over \$4.5 million in state and local emergency rental assistance while donors generously gave \$1.4 million toward rent relief. Beyond rental assistance, the staff has made every effort to keep residents stable and healthy since day one of the pandemic. Mercy Housing puts residents at the center of our work – our North Star – to guide us in all of our decisions.

These accomplishments were possible because we stayed rooted in our core values of respect, justice, and mercy. This organization was built on the belief that housing justice is social justice, and we continue our deep commitment toward advancing this work. We acknowledge and celebrate our heritage and the legacy of the many communities of Women Religious that got us here today as we prepare to celebrate our 40th anniversary. Thanks to our founding communities, partners, and donors, we continue to create and preserve affordable homes and positively impact resident outcomes in urban, suburban, and rural communities across our country.

We look forward to the next 40 years. Just imagine what we can do together.

Yours in Hope,

Ismael Guerrero
President & CEO

Patricia Cochran
Chair, Board of Trustees



Lending a Hand During the Pandemic

Many Mercy Housing residents were able to breathe a little bit easier thanks to the emergency rental assistance program. Mercy Housing's Gleason Park Apartments resident, Katrina, was among them.

Katrina moved into Gleason Park in Stockton, CA with her husband, Anthony, and their two young daughters in 2019. Prior to moving into their new home, the family had experienced homelessness. "We were so down and looking for a place to live. We took busses and walked everywhere. We had to get our kids to school and stuff," the couple explained. "When we received the call from Mercy Housing, it was a miracle. We believe they were put in our lives for a reason."

With a place to call home, Katrina's family was starting to settle in when COVID-19 took hold. Katrina was not only the first in her family to test positive but the first person at Gleason Park as well. "It was rough," she said. "The scary, unknown, and not knowing who's going to get it [COVID-19] like you." As the only member of the household working at the time, the family depended on her paycheck for income.

Overwhelmed by the changing CDC guidelines and the uncertainty of if, or when, she would be able to return to work, Katrina turned to her resident services manager, Liz, for help. "Everyone was still coming to terms with the virus; confusion and the worry about paying rent was mounting," said Liz.

The couple credits Liz with supporting their family through the pandemic by providing safety protocols and stable housing by accessing rent relief during a time of uncertainty.

Not only was there emergency state and local rental assistance available to qualifying families, but some residents also had access to additional relief, thanks to an anonymous donor in California who provided a gift of \$1 million specifically to help with rent relief.

"Like everything else, there was a process each time," Anthony explained. "But Liz was on it. We really trusted her."

Katrina and Anthony were the first Gleason Park residents to fill out the application and receive approval. The financial assistance covered a full three months of rent, giving their family peace of mind while Katrina recovered at home.

"Katrina is really special and resilient," said Liz. "Katrina's story and my story have a lot of parallels. We both walked very difficult lives, and I think that's what helped us bond. It's kind of like, if I can do it, you can do it."



"We couldn't be happier right now. Mercy Housing gave us so much love. I really want to pay it forward."

– Katrina and Anthony,
Mercy Housing Residents

We have been committed to keeping residents in their homes during the pandemic.



Donors gave \$1.4 million for rent relief in 2021, while staff helped residents access over \$4.5 million in state and local emergency rental assistance.

Things are looking up today for Katrina and Anthony. Their daughters are back in school, Anthony recently found a job, and Katrina is back at work. The family now has its sight set on owning their own home.

"We couldn't be happier right now," Katrina said.

"Mercy Housing gave us so much love," Anthony added. "I really want to pay it forward."



2021 Highlights

THE HUB ↑

Coming soon: At the heart of the Sunnydale neighborhood revitalization, the Sunnydale Hub in San Francisco will feature a brand new state-of-the-art indoor family recreation center with programming and amenities for the community.

RACIAL EQUITY, DIVERSITY, INCLUSION

Our first Senior Vice President of Racial Equity, Diversity, and Inclusion (REDI) came on board to lead and implement structure and an organizational framework as our roadmap to ensure equitable and inclusive communities.

MERCY COMMUNITY CAPITAL

Our financing activities created and/or preserved 3,781 units of affordable housing and served 9,000 residents (more than half from traditionally underserved populations). We closed a record of 36 transactions that translated into \$1 billion in total development costs.

EPIC EDUCATIONAL GRANTS

For the fourth consecutive year, the National Real Estate Practice of EPIC Insurance Brokers and Consultants partnered with Mercy Housing to help residents obtain their post-high school educational goals. \$2,500 grants were awarded to 24 Mercy Housing residents.

GREEN HOPE PROGRESS

Mercy Housing became a Department of Energy Better Buildings Challenge Achiever by fulfilling our commitment to improving energy efficiency. We also implemented 17 sustainability projects and leveraged \$700,000 in environmental incentives and rebates to achieve nearly \$52,000 in estimated savings.

CLOSING THE DIGITAL DIVIDE

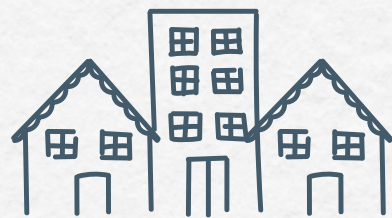
Mercy Housing staff continued to close the gap on the digital divide by connecting more than 300 households with emergency broadband benefits. In addition, we worked with our local partners to provide devices with low-cost internet service.

CORPORATE SUPPORT

Overstock.com became a Mercy Housing charitable partner. The home furnishings retailer committed to provide support, product donations, employee volunteer opportunities, and customer donations on their website in support of Out-of-School Time programming.

By the Numbers

328
PROPERTIES



6½ Years
AVERAGE LENGTH OF RESIDENCY

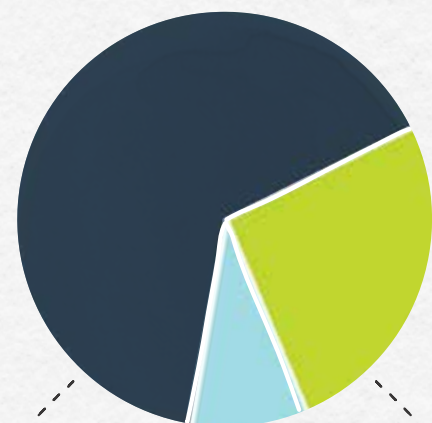


23,903
APARTMENT HOMES



WHO WE SERVE

42,447
RESIDENTS



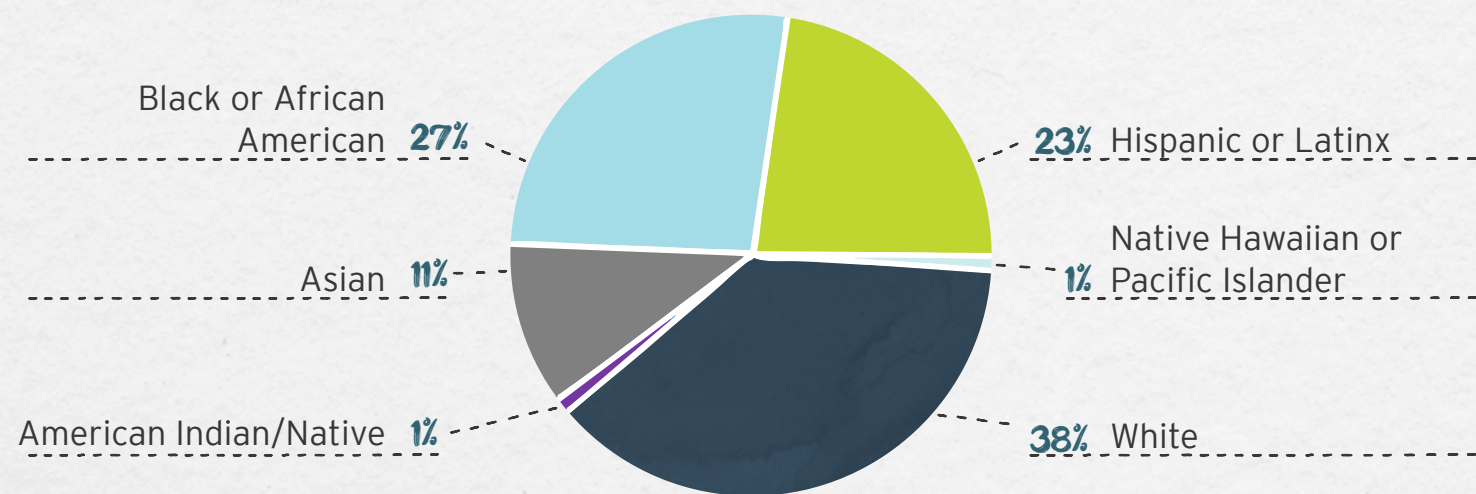
65% Families

26% Seniors

9% Special Needs

RESIDENT RACIAL AND ETHNIC DIVERSITY

To ensure equitable and inclusive communities, our employees demographics align with the residents we serve:



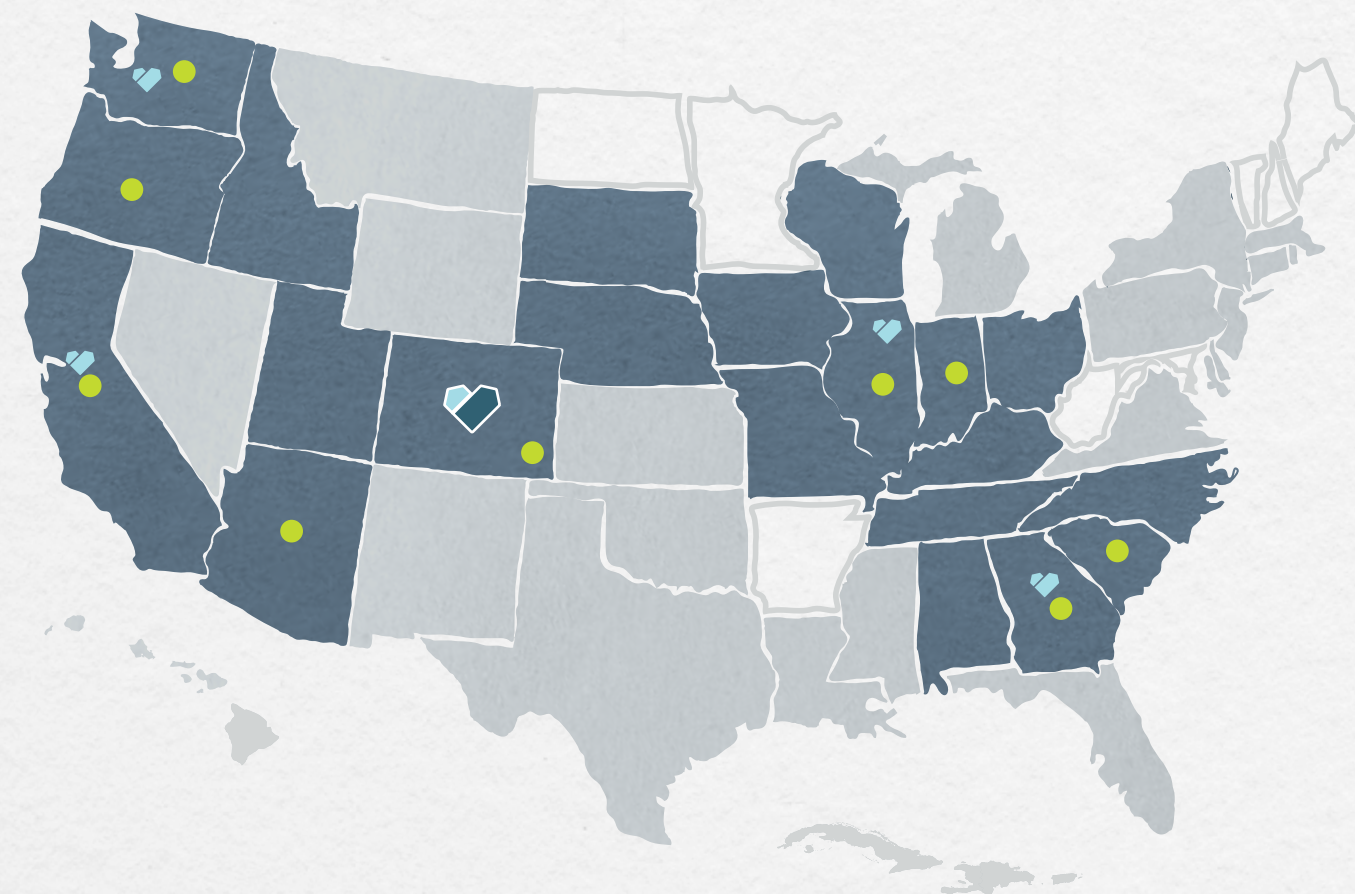
THE AVERAGE RESIDENT INCOME IS

\$13,027

which is less than **1/5** of the national average of **\$67,521**



WHERE WE SERVE



- Mercy Housing Communities
- New Development
- Mercy Community Capital
- ◆ Regional Office
- ◆ National Headquarters

"I have Mercy Housing to thank for helping me gain control of my health. I'm proud to do the same for others and be someone they can relate to through my role as a Community Health Worker."

– Henry,
Mercy Housing Resident

The health and safety of Mercy Housing residents and employees are at the top of our list of priorities.



Amid a continued pandemic, we supported over 80 onsite COVID-19 vaccination clinics for residents and required all employees to be vaccinated.

Health Starts with Home

Henry's life has been full of both struggle and triumph. He overcame a challenging childhood to attend a prestigious college and later worked for years in social services. However, Henry also struggled with addiction, harming his career and relationships with his family. He decided it was time to take control of his life and checked himself into a recovery program, ultimately leading to his current home at South Loop Apartments in Chicago, where he has lived for 14 years. "This place became a sanctuary," Henry says. It allowed him to reconnect with his daughters and grandchildren and helped him to manage his diabetes, cholesterol imbalance, and hypertension.

Henry is now one of Mercy Housing's Community Health Workers, hired to help residents of supportive housing manage their chronic health conditions. He provided input on the program's development and was trained, along with the other Community Health Workers, to deliver evidence-based services to help participants improve their health. Because Community Health Workers have had similar past experiences, they can relate to and understand the people they serve. Henry shares, "being the person they can relate to" is essential to connecting with and motivating participants to better their health.

The timing of the job could not have been more perfect. It provides Henry with the opportunity to give back to the supportive housing community. "I went through a period in my life where people reached out for me," Henry says, "I'm working with people that are crossing the same path I crossed."

His contributions continue to make an impact at South Loop Apartments and Mercy Housing. In 2019, Henry was appointed to Mercy Housing Lakefront's Board of Directors.

Mercy Housing Lakefront's Community Health Worker Program was developed and implemented in partnership with Blue Cross and Blue Shield of Illinois, Near North Health Service Corporation, Sinai Urban Health Institute, and the Washington Square Health Foundation.

Development Highlights

Mercy Housing is committed to developing affordable, program-enriched housing for low-income families, seniors, veterans, and people with disabilities who lack the economic resources to access quality, stable housing.

In 2021, we opened eight new communities and refurbished three existing buildings. Regardless of the scale and population served, each Mercy Housing community is built with an unwavering commitment to dynamic partnerships, creative vision, and extensive community planning.



MERCY ROSA FRANKLIN PLACE

Named in honor of Washington State Senator Rosa Franklin, this vibrant community features 69 homes for seniors. It serves as a permanent reminder of her accomplishments and commitment to housing and health equality in the state of Washington.



290 MALOSI

Located in San Francisco's Sunnydale neighborhood, this 167-home community is home to 125 families who are long-time Sunnydale residents. An additional 41 families from other parts of the city also call this new community home.



CASA DE LA MISIÓN

This five-story community with 45 homes for seniors exiting homelessness opened its doors in San Francisco, CA.



1801 WEST CAPITOL AVENUE

One block from the California State Capitol building in Sacramento, West Capitol, a 85-unit studio apartment community opened in 2021 for people exiting homelessness.



VILLA DE VIDA POWAY

Opened in July 2021, this new Southern California community welcomed adults with developmental disabilities who wanted to live both independently and in a community with others. Sixty new residents are now achieving their dream of leading independent, but not isolated, lives.



SISTER LILLIAN MURPHY COMMUNITY

691 China Basin is home to families in San Francisco. The community includes 152 apartments ranging from studios to five bedrooms. In 2022, the community will be renamed the Sister Lillian Murphy Community, in memory and celebration of former CEO Sister Lillian's life of service.



MERCY NORTH AUBURN AT ROCK CREEK

Located in Auburn, CA, this new modern property features 79 one-, two-, and three-bedroom homes and three-bedroom townhouses for people with low income. Twenty homes have been set aside for No Place Like Home program recipients.

Development Highlights (Continued)

Along with new development, we acquire and renovate existing housing to preserve affordable housing.



LA MANCHA WAY HOMEKEY

La Mancha was acquired as the 124-unit WoodSpring Suites extended stay hotel in Sacramento, CA. It was converted into 100 permanent supportive housing apartments for people who are homeless and those at risk of becoming homeless. The project was acquired under the State of California's HomeKey Program.



MAJOR JENKINS

Originally built in the 1900s, Mercy Housing acquired and renovated this property in 1995 and again renovated it in 2021. Located in Chicago, IL, this property includes 160 units of supportive housing with 80 apartments dedicated for formerly homeless individuals.



GRACE APARTMENTS

This apartment community in Denver's East Colfax neighborhood features 53 apartment-homes and focuses on serving refugee families with over 12 different languages spoken by residents. Built in 1968, Mercy Housing has owned the property since 1991 and completed previous renovations in 1992 and 2003. With the rehab completed in 2021, we invested more than \$4 million to completely refurbish the apartments and common areas, and we added a new outdoor common area for residents.



MANZANITA

Mercy Housing renovated a two-story stucco apartment building in San Francisco's San Leandro community. The 80 one- and two-bedroom apartments serve families with low income and very low income.

Innovations in Development



We are continually seeking ways to reduce the time and cost it takes to build affordable housing. Tahanan, which features 145 micro-studios for people exiting homelessness, was the first Mercy Housing community built using modular construction.

Located in San Francisco's South of Market Area, this permanent supportive housing community for adults who have experienced homelessness was completed in 2021.

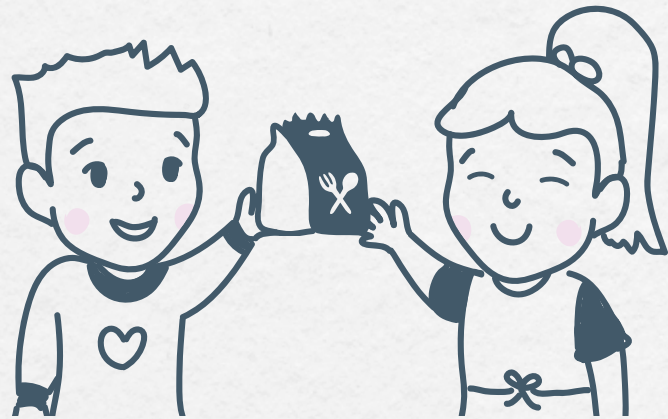
Traditional construction starts from the ground up, building each story only after the one below it is finished. Modular buildings are built in many pieces at an off-site warehouse, including wiring for electricity, plumbing, drywall, and cabinetry. These completed modules are shipped to the site, and the contractor uses cranes to stack them, much like building blocks. Finally, the modules are connected, and a 'skin' and roof are added.

Tipping Point and the San Francisco Housing Accelerator Fund chose Mercy Housing to build this community when we proposed using this quick, innovative building technology.

In Service...

OVER 12,000 HOUSEHOLDS  received food assistance through Mercy Housing's resident services including food pantries, meal delivery, and summer lunch programs – **17% more than in 2019**

Nearly 1 in 5 FAMILIES AND 1 out of every 3 SENIORS PARTICIPATED IN COMMUNITY SERVICES



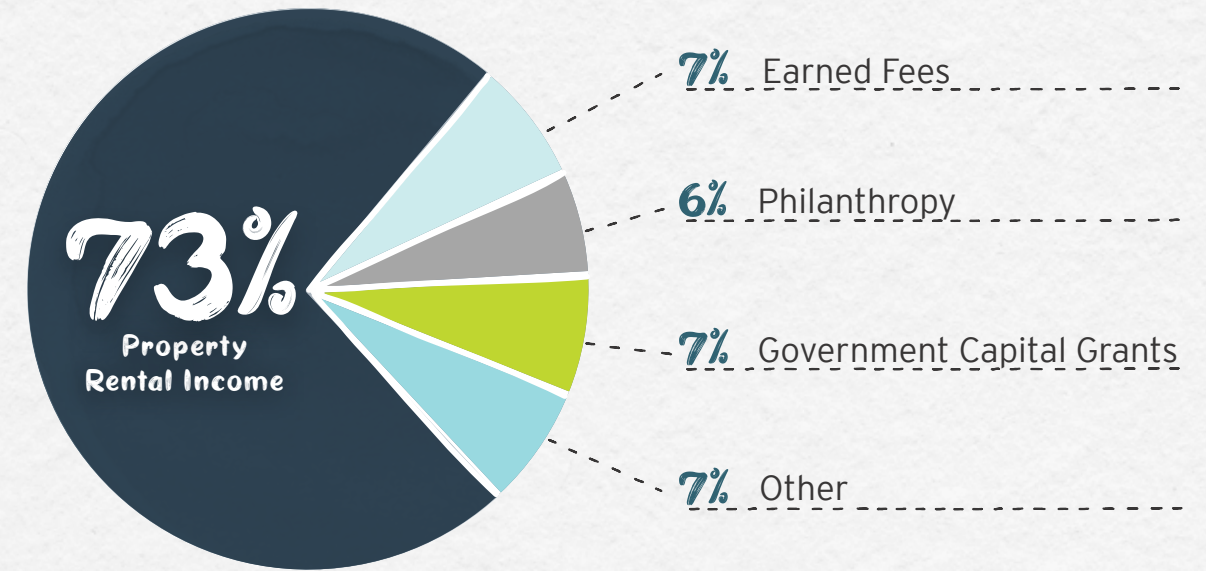
24,587 RESIDENTS ACCESSED 519,820 RESIDENT SERVICES

235 PROPERTIES offer resident services programs designed to help people build better lives

17% INCREASE IN TOTAL FOOD PROVIDED  from 2019 to 2021, and a **25% increase** in households receiving that food.

Financial Highlights

REVENUE BY SOURCE

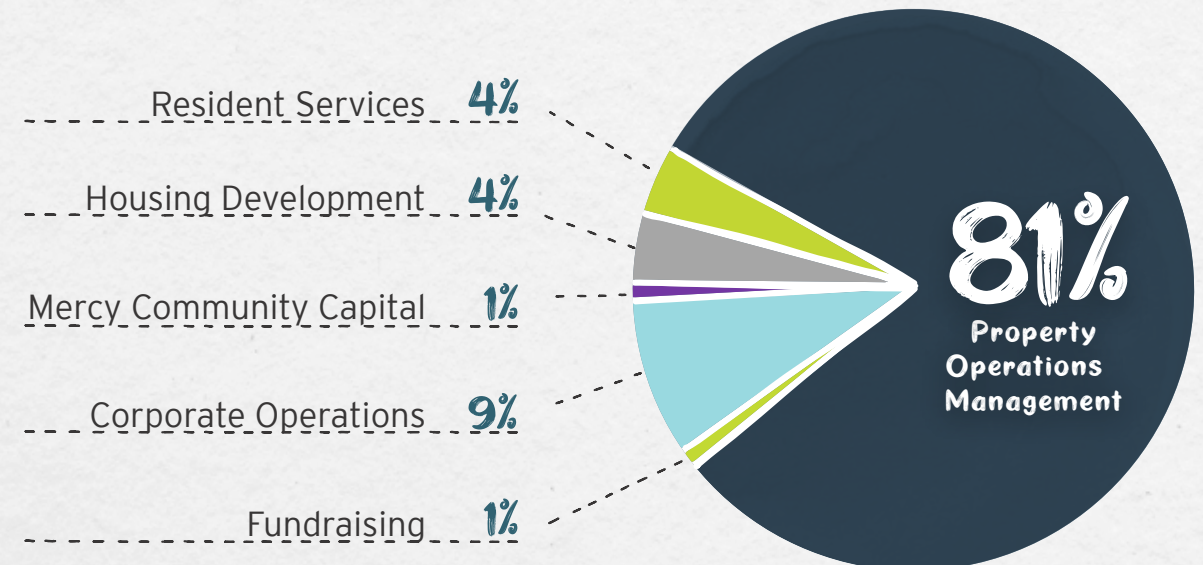


\$4.585 BILLION
in affordable real estate development since 1981

\$469 MILLION
in affordable housing lending since 1981

\$2.936 MILLION
invested in future developments totaling **5,340 homes**

EXPENSES BY PROGRAM



Investing in Our Future



Supporting Mercy Housing's youngest residents is something we strive to achieve. We believe that kids need support to succeed in school and in life, which is why we provide Out-of-School Time programs to Mercy Housing youth. These programs offer kids a place to go when their parents are at work or if they need help with homework. And thanks to community partners, including the Dominican Sisters of Adrian and Arik Armstead, we have been able to grow our Out-of-School Time programs.

As a founding community of Mercy Housing Northwest (MHNW), The Adrian Dominican Sisters have a 29-year history of personal investment, volunteerism, and financial support of resiliency-building programming and growing the affordable housing portfolio of MHNW. And thanks to a \$1.5 million investment from the Sisters in 2021, MHNW started expanding their K-12 educational programming by creating comprehensive Out-of-School Time programs enhanced by literacy and math curricula at eight additional MHNW family properties. This initiative will serve up to 1,000 children and youth in kindergarten through 12th grade annually in Washington and Oregon. MHNW has a remarkable track record with Out-of-School-Time programming, having seen a 100% high school graduation rate for over five years at one Bellingham, WA community.

Meanwhile, in California, Arik Armstead not only made his presence known on the field as a defensive end for the San Francisco 49ers but off the field as well as the founder of the Armstead Academic Project (AAP).

After a challenging year, residents of the Land Park Woods community in Sacramento found true cause for celebration when 150 children, caregivers, and supporters gathered to launch the Armstead Academy. Fueled by a \$250,000 contribution to Mercy Housing California (MHC) from Arik, the Armstead Academy will provide top-notch academic coaching and after-school programming for K-12 students who live in the Upper Land Park area of Sacramento. Participants can reside either at Land Park Woods, one of MHC's 152 affordable communities, or in the neighboring Marina Vista and Alder Grove public housing communities.

Armstead Academy participants will work with MHC staff and mentors to achieve academic success, develop leadership skills, enjoy college visits, and career exploration field trips, and take strides toward realizing healthy adulthoods.

Our five-year goal is to foster real and measurable progress toward school success at primary and secondary grade levels as children focus on on-time high school graduation and readiness for post-secondary education and career opportunities. We build upon our K-12 education support systems through our industry-leading affordable housing model. The focus is increasing student housing stability, strengthening student and parent engagement, and supporting a culture of school success.

After a challenging year, residents of the Land Park Woods community in Sacramento found true cause for celebration as roughly 150 children, caregivers, and supporters gathered to launch the Armstead Academy.



Each month, more than 500 kids attend Out-of-School Time activities

Donors Lead The Way

WITH YOUR SUPPORT, MERCY HOUSING RAISED

\$12,615,150

Thank you to our donors and partners for supporting our mission and making a lasting impact.



**Over 1,200 residents volunteered at 94 different
Mercy Housing communities.**

The Gap Note Program

Mercy Housing created the Gap Note Program as a new funding tool to help address the country's ongoing affordable housing crisis. With Mercy Housing's goal to develop and preserve 9,000 affordable homes by 2024, this program was designed to provide a source of low-cost, patient capital to fill the financial gaps caused by spikes in construction pricing and the lack of adequate local housing resources.

The National Low Income Housing Coalition (NLIHC) estimates that there's an unmet need for over seven million affordable homes in the U.S. Every one- to two-million dollar investment from the Gap Note Program makes a \$25 million affordable housing community possible. Even before the word "pandemic" entered our vocabulary, the affordable housing supply for renters with low and moderate incomes was desperately inadequate.

The financing of affordable housing is complex and requires capital from multiple sources, both public and private. The need for affordable housing exceeds the resources available, which often leaves projects with a financial gap and unable to move forward. The Gap Note Program provides critically needed capital to help fill that financial gap in affordable housing developed by Mercy Housing.

By investing in the Gap Note Program, investors are choosing to put affordable housing communities across the finish line that would not otherwise be completed. The \$47 million Gap Note Program is possible thanks to investments by PNC Bank, Truist Bank, CommonSpirit Health, Wintrust Bank, Wheaton Bank, Mercy Investment Services and the Opus Foundation.



**\$47 Million in investments for
more affordable housing**



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Daughters of Charity, Province of the West

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Sisters of Mercy of the Americas

Sisters of St. Joseph of Orange

Sisters of St. Joseph of Peace



About Us

Mercy Housing Inc. 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 40 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.

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