



Strategic Plan 2015-2019

BUILDING HEALTHY COMMUNITIES

A Letter from Jane Graf

In 1981, Sister Timothy (Patricia) O’Roark, a legal aid attorney and Sister of Mercy from Omaha, Nebraska took a long, hard look at the derelict affordable housing options available to the most vulnerable citizens in her community and said, “We can do better than this”. That one, prophetic statement became the rallying cry that ignited Mercy Housing. Soon Catholic Sisters from across the United States heard the challenge and came together to become the first supporters of Mercy Housing.

Since then, we have been a leader in a movement to change the face of affordable housing in this country. Moreover, we do not intend to stop now.

I am pleased to introduce Mercy Housing’s 2015-2019 Strategic Plan. This plan represents a truly collaborative effort, created over the course of a year and involved more than 100 Mercy Housing staff, board members, and sponsors in addition to numerous external partners, stakeholders and friends from all across the country.

Our plan is a holistic approach to provide safe, affordable, service-enriched housing for families, seniors, and people with special needs. We plan to reduce the gap between the need for affordable housing and the supply of affordable homes while placing significant emphasis on programs and services that improve the health of our communities. We continue to support our residents with a focus on participation in the greater community.

Change has been swift and constant over the past decade, and we have demonstrated an ability to remain adaptable and relevant in an ever-changing world. While we cannot predict what other changes will occur over the next decade, we are confident this plan will prepare us to meet those challenges. The plan points us to a future that is shaped by a legacy from the Catholic Sisters who sponsor Mercy Housing and who provide the foundation for our vision to create a more humane world.

Our passion and commitment to this vision is steadfast. Our partners are unflinching. And our work is tireless. I invite you to review these pages and learn more about how we plan to close the affordable housing gap in this country while living up to the challenge of our founders - *“We will do better than this!”*

Live in Hope!



Jane Graf

President and Chief Executive Officer | Mercy Housing, Inc.



Who We Are

Mercy Housing has grown from small beginnings in Omaha, Nebraska, to become a substantial national entity in the affordable housing arena. Sponsored by 8 congregations of Catholic Sisters and in the tradition of their early ministries, Mercy Housing has become a considerable institution with strong regional business centers and a national office that work together to help build economies of scale and skill.

Steeped in the tradition of Catholic social teachings to promote the common good and the underpinning of the Sisters' commitment to address issues of economic disparity in every community we serve, Mercy Housing maintains its strong mission commitment to provide high quality, service-enriched housing to those most in need.

Over the years, Mercy Housing has gone through substantial transformation, has grown in size and built multiple core competencies around the following:

- Real estate development and lending that serves the economically poor, doing the most complicated transactions in order to serve those most in need
- Providing a tailored mix of on-site supportive programming resources for residents such as health care education, financial literacy, and educational support
- Substantial property management, asset management, and compliance capacity
- Collaborating with local and institutional service and business partners that share our vision
- Advocating for the housing and service needs of the disadvantaged

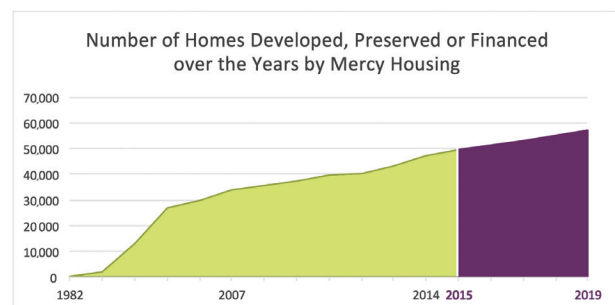
The work of Mercy Housing is based on the belief that:

- Each person is an inherently valuable member of the human community. It is a basic right that each person have a safe, affordable place to live,
- The gap between the supply and demand of affordable housing continues to grow, and
- The gap between the richest and poorest Americans in our communities continues to widen and heightens the need for our services and products; calling us to action.



As Mercy Housing goes through another period of growth, we will:

- **Expand the approach to developing and financing affordable housing** and the need to supplement the federal, state, and local subsidy sources on which Mercy Housing has relied on in the past
- **Maintain an aggressive emphasis on financial sustainability to ensure a stable fiscal future for Mercy Housing and our mission, and** build capacity for larger investment in mission delivery and organizational outreach
- **Build on the strength of past and current leadership** to assure a strong and healthy Mercy Housing that is durable, aware, and responsive to its local and national responsibilities



What We Plan to Accomplish

Vision Mercy Housing is working to create a more humane world **where poverty is alleviated**, communities are healthy and all people can develop their full potential. We believe that affordable housing and supportive programs improve the economic status of residents, transform neighborhoods, and stabilize lives.

Mission 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.

Values Our values are rooted in those of the communities of Catholic women who founded Mercy Housing:

- **Respect** - A basic perspective and behavior which is attentive, considerate and shows special regard for the inherent dignity of persons and the sacredness of creation.
- **Justice** - The fair and impartial treatment of others.
- **Mercy** - The ability to see need and respond with compassion.

Operating Commitments

- We are Ethical
- We are Accountable
- We are Advocates
- We are Diverse
- We are Collaborative



Goals and Objectives



- Increase development, preservation, and financing of affordable homes by 25%
- Increase housing for an additional 20,000 people



- Provide program-enriched services to 72% of our properties
- Improve health, employment, financial, and education outcomes for residents
- Grow funding support for resident services by 50%

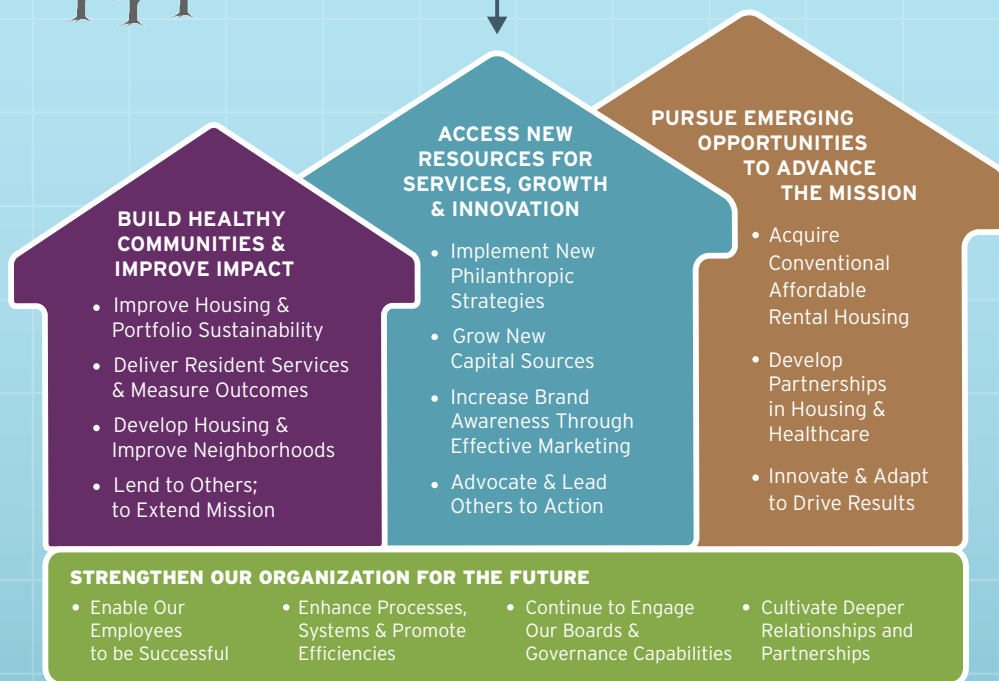


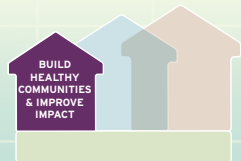
- Grow employee skills and leadership capabilities
- Improve financial sustainability results

Strategic Focus Areas



How we will get there and the action we plan to take...





Build Healthy Communities & Improve Impact

We will strengthen the core activities that deliver our Vision and Mission.

Improve housing & portfolio sustainability - Preserve and improve the performance of our housing portfolio which provides safe, affordable homes and contributes to healthy communities for our residents. Reposition and recapitalize our housing assets to better meet ongoing capital requirements and increase financial contribution.

Deliver resident services & measure outcomes -

Deliver effective and targeted services to our residents while measuring and understanding the resident and community impacts. More effectively tell our story in ways that help stakeholders understand how their investments translate into meaningful outcomes.

Develop housing & improve neighborhoods - Create regional real estate strategies that seek local efficiencies while maximizing the scale benefits of being a national organization. Leverage/cultivate relationships in our markets that build concentration and commitment aimed at improving neighborhoods in the key geographies we serve.

Lend to others extending mission -

Expand the Loan Fund and increase the positive impact our investments make in other organizations and projects that support mission related activities.





Access New Resources for Services, Growth & Innovation

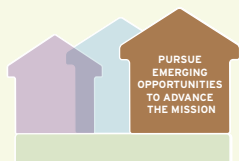
We will implement strategies allowing us to access new resources and relationships to grow, strengthen, and advance our Mission.

Implement new philanthropic strategies - Advance new focus on individual giving at both the national and local levels while leveraging the strength and reputation of Mercy Housing. Leverage resources to support resident services, innovation investment in our organization, and seed capital investment for emerging opportunities.

Grow new capital sources - Create more efficient pathways to current and new sources of capital to support core business activities and emerging opportunities. Support innovation with initial emphasis on better understanding and engagement with the arena of social capital investing in ways that recognize our uniqueness and differentiated value proposition to investors.

Increase brand awareness through effective marketing - Advance our ability to increase awareness of service-enriched housing as a critical foundation to help alleviate poverty and the impact Mercy Housing is making through our mission, products and services. Elevate constituent loyalty, increase donations and pave the way for new partnerships through increased visibility and more powerful messages.

Advocate and lead others to action - Strengthen our voice and focus on communicating and inspiring action to address issues of income inequality, resource scarcity related to health care outcomes, services available for an aging population, availability of affordable workforce housing, and the lack of a social infrastructure.



Pursue Emerging Opportunities to Advance the Mission

We will pursue emerging opportunities that support our goals and leverage our core competencies and strengths.

Acquire conventional affordable rental housing - Develop a real estate acquisitions strategy and platform that will augment our current approaches and help diversify into areas that leverage our strengths, generate additional cash flow and meet mission impact goals while managing risk.

Develop partnerships in housing and healthcare - Link our housing initiatives to the changing face of healthcare delivery taking advantage of opportunities provided by the Affordable Care Act and our relationships with medical service partners and our Strategic Healthcare Partners. Form partnerships with medical service providers who would benefit from our skills in resident service delivery, as well as real estate development, asset management, and property management. Execute in a way that produces a triple aim of satisfied residents, satisfied funders, and improved health outcomes at lower cost.

Innovate and adapt to drive results - Support Business center innovation and creativity as we focus on approaches to meet local market needs and opportunities. Provide best balance of oversight, coordination, and empowerment/entrepreneurialism to leverage our unique combination of national and local resources while assessing and balancing risks.





Strengthen Our Organization for the Future

We will continue to strengthen organizational performance that combines focused, locally engaged geographic business centers with the support of a national organization that leverages Mercy Housing's scale and sophistication.

Enable our employees to be successful – Continue to elevate and build organizational systems to attract and retain talented people who are committed to advancing our mission and delivering positive results. Celebrate and cultivate diversity, support the health and well-being of our employees, and build on the inspiring legacy of our founding communities of religious sisters. Develop our leaders and hold them accountable to developing their employees- including ongoing performance feedback, coaching, career growth, training, and talent sharing.

Enhance processes, systems & promote efficiencies – Advance and deliver projects and processes aimed at strengthening and simplifying core business processes, reducing costs and boosting productivity. Facilitate effective analysis and quicken organizational decision-making. Improve organizational risk management capabilities and approaches. Leverage technology to thrive in a fast-paced world and continue data-driven efforts to understand and act upon where we perform best and where we don't.

Strengthen our boards & governance capabilities – Strengthen our boards and enhance the impact on Mercy Housing's mission. Attract, retain, and engage board members that have complementary experiences and contributions. More directly integrate board members in the delivery of our mission. Engage board leadership and staff in an ongoing generative strategic leadership process regarding how Mercy Housing can best maximize mission impact.

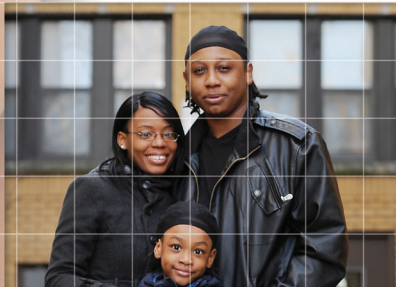
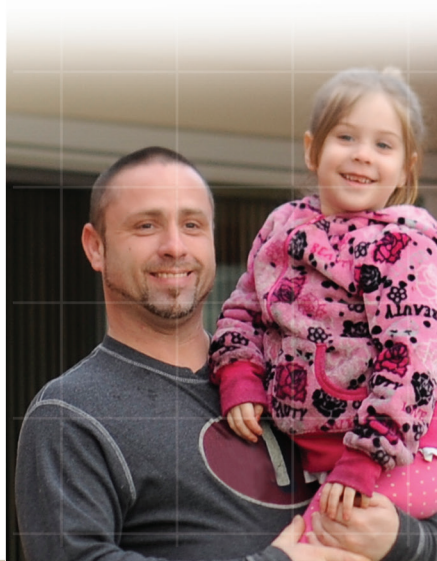
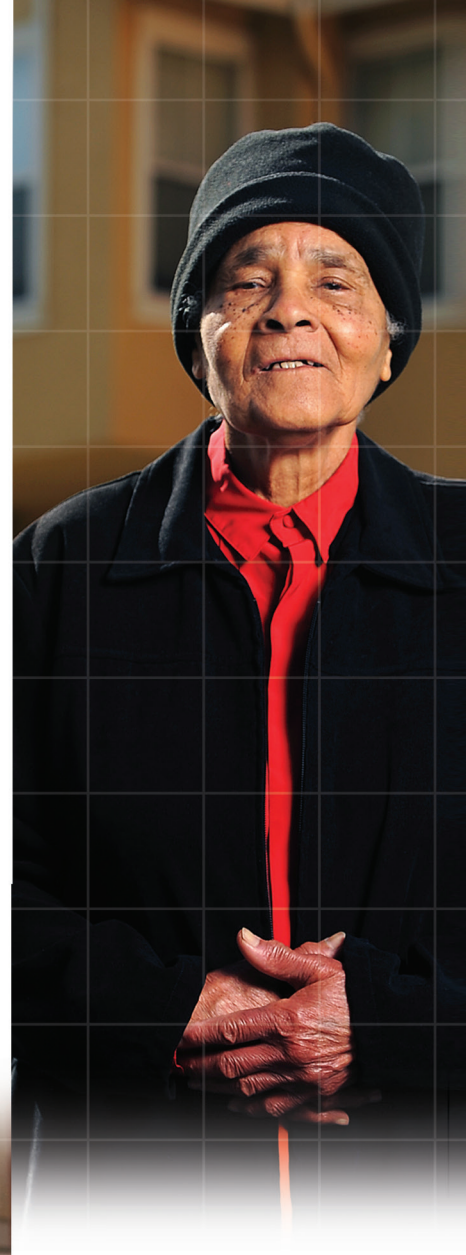
Cultivate deeper relationships & partnerships – Share learnings across the Mercy Housing system, and participate in national organizations and partnerships focused on advancing the community development space.



Partnering to Help Those in Need

Mercy Housing's Co-Sponsors

- Daughters of Charity, Province of St. Louise
- Daughters of Charity, Province of the West
- Sisters of Bon Secours, USA
- Sisters of Mercy, Northeast
- Sisters of Mercy, South Central
- Sisters of Mercy, West Midwest
- Sisters of St. Joseph of Orange
- Sisters of St. Joseph of Peace





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Building Healthy Communities

Mercy Housing, Inc
1999 Broadway, Suite 1000
Denver, Colorado 80202
866-338-0557

www.mercyhousing.org

