

HHAP-Funded Projects



MERCY HAVEN, INC.

BUILDING COMMUNITY SINCE 1985

PREPARED BY:

Donna Donaghy and Gregory Mangini

Mercy Haven, Inc.

“Established in 1985, Mercy Haven, Inc., is a non-sectarian not-for-profit 501(c)3 corporation. We envision communities where diversity and inclusion are valued and individuals reach their full potential. For over 40 years, Mercy Haven has grown to be a multifaceted community resource. We have brought services to both Nassau and Suffolk Counties and are committed members of the communities we serve. From a humble beginning in Bay Shore as a provider of housing for persons living with mental illness, our housing programs now include the elderly, veterans, persons with disabilities, homeless families and children and low-income families. Mercy Haven, Inc. owns and rents a total of 57 sites, representing 112 units of housing for over 425 participants across Long Island, New York.

Some of our support programs include advocacy, education and employment skills training, peer support groups, supported employment, food pantry, youth & family services, community outreach, staff on-call 24/7, and a sophisticated property management department.

Mercy Haven, Inc. is committed to responsible and transparent stewardship of the funds we receive from our donors, both public and private. For a copy of our most recent annual report, please contact our Development Office at 631-277-8300. You may also view our most recent IRS 990 tax forms on our website at www.mercyhaven.org or by visiting www.guidestar.org.”

2018 HHAP Award – Beginning the Journey

In 2018, Mercy Haven received an HHAP award to purchase properties for a **domestic violence program**.

As required, before receiving funding, we needed to **identify and secure properties**.

Our method has always been to begin with a **Letter of Intent** — a document showing a mutual understanding:

- Mercy Haven promises to purchase the property if funding is awarded.
- The seller, in turn, indicates willingness to sell but retains the right to withdraw at any time.

This approach has historically allowed us to demonstrate “site control,” which is essential for HHAP funding.

To Whom it May Concern,

Please be advised that I, _____, owner of the premises known and designated as _____, _____ hereby confirm my intention to sell the premises to Mercy Haven, Inc., for the purchase price of \$_____.

This purchase will be subject to a formal contract and appraisal confirming purchase price, title search and closing.

I understand that this sale/purchase is contingent upon Mercy Haven, Inc. receiving funding from the New York State Homeless Housing and Assistance Corporation (HHAC) and that the completion of the funding approval could take up to six (6) months from the date of this letter. Until a Contract of Sale with Mercy Haven, Inc. is executed, I retain the right to sell or lease the property to any party.

This Letter of Intent is not a real estate binder or a Contract of Sale. It merely serves as a first step in the process a contract agency must observe to purchase real property under a grant from the New York State Homeless Housing and Assistance Corporation. It accepts from the seller a statement of the seller's good faith intention to sell the subject property to Mercy Haven, Inc. when the grant process matures, without restricting the seller's right to dispose of the property otherwise during the delay.

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

Initial Challenges – The First Three Properties

Initially, we identified **three properties** for the domestic violence program. Unfortunately, all three fell through:

- Some owners decided to keep their properties to rent out.
- Others sold to higher bidders.

Despite these setbacks, Mercy Haven remained committed and quickly began the search for replacement sites.

Securing New Locations

We successfully identified **three new properties**:

- Two two-family homes
- One four-family residence

All were registered under **moderate rehabilitation** standards.

The two two-family homes followed that plan smoothly. However, the four-family property became our most challenging project to date.



The Four-Family Property – A Test of Patience and Persistence

The purchase agreement required that the owner deliver the building **vacant**. All tenants moved out except one — and then **COVID-19 hit**.

Court closures and pandemic-related housing protections made it nearly impossible to proceed. What was expected to be a short delay stretched into **two years**.

Mercy Haven made **numerous attempts to assist the remaining tenant** in finding alternative housing. Eventually, through a settlement, the owner provided **\$18,000 held in escrow** to facilitate the tenant's relocation.



Rehabilitation – More Than a “Moderate Rehab”

Once the building was vacant, demolition began — and we quickly discovered the structure was in far worse condition than anticipated.

This 100-year-old building, which had once served as a small neighborhood theater, presented extensive **structural deficiencies**:

- Discontinuous exterior wall and roof framing
- Unsupported structural columns
- Interior walls without bottom plates
- Split wood beams and deficient cross bracing
- Floor deflection and settlement
- Inadequate fastening of framing members
- Suspected ACM (asbestos-containing material) in plaster ceilings

What began as a moderate rehab became a **full-scale reconstruction**.

Rehabilitation – More Than a “Moderate Rehab”



Photo 01: View of the existing exterior wall framing at the north side of the building.
Note discontinuous wall studs and lack of base plates at interior wall framing.

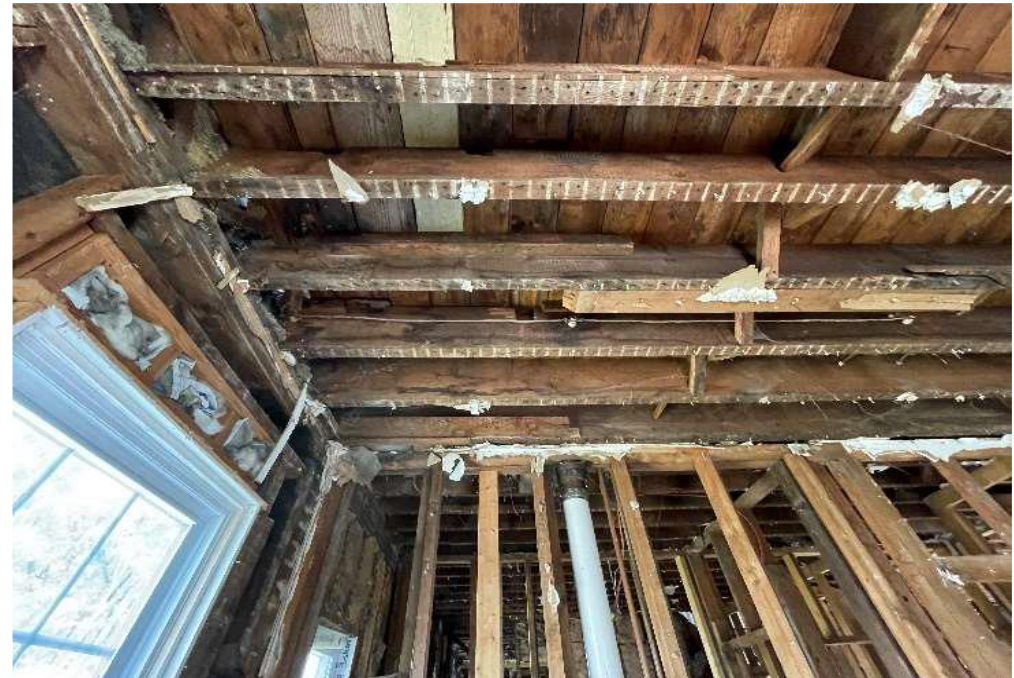


Photo 02: View of the existing second floor framing.

Rehabilitation – More Than a “Moderate Rehab”



Photo 05: View of the second-floor ceiling joists and roof framing above.



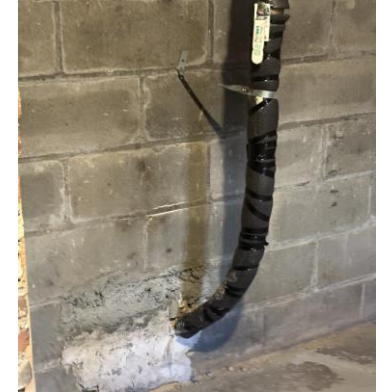
Photo 06: View of a structural wood column that supports the roof framing. Note that column is compromised.

Infrastructure Upgrades

In addition to the structural repairs, several key systems required complete replacement or upgrading:

- **New water line** from the Suffolk County Water Department to correct low pressure
- **Full electrical rewiring**
- **New heating systems**

These improvements exceeded original estimates but ensured long-term safety and sustainability.



The Result – A Fresh Start for Four Families

After years of persistence, the project was completed.

Today, **four families** now live in **beautiful new apartments**, safe and stable thanks to the combined efforts of Mercy Haven, HHAP, and our dedicated partners.

Special thanks go to **HHAP** and all who supported this project through every challenge. Your collaboration made this success possible.



2022 HHAP Grant – The Next Chapter

In 2022, Mercy Haven received another HHAP grant — this time for the **purchase and rehabilitation of two buildings in Hempstead.**

As before, while awaiting funding approval, we used **Letters of Intent** to demonstrate control of the properties. However, before the grant was finalized, both properties were **sold to other buyers.**

The properties were two 6 (1) bedroom apartments. To give you an idea of costs:

One property selling for \$700,000 with a rehab and construction costs \$902,000.

The other property was selling for \$900,000 with a rehab construction costs \$1,087,000.00.

This forced us once again to re-evaluate our acquisition strategy.



62 Vermont Ave., Hempstead



43 California Ave., Hempstead

A Strategic Pivot

With HHAP funding already approved but no available properties, Mercy Haven decided to **pivot**.

Originally, our focus was on **multi-family properties** — but on Long Island, such properties have become increasingly scarce and often sell far above market value.

To continue serving our mission and meet the need for **12 individual placements**, we adjusted our approach:

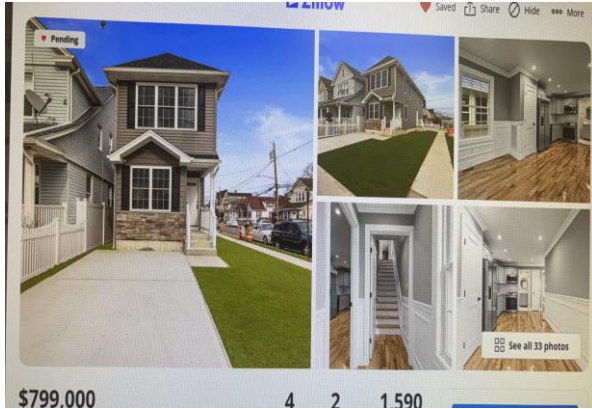
- Began searching for **newly built or fully rehabbed homes**
- Expanded focus to **one- and two-family units**
- Adopted faster contracting methods to stay competitive in a fast-moving market

New Acquisition Approach

To secure properties more effectively, we implemented several new strategies:

1. **Appraisal-first approach** – obtaining appraisals early to confirm fair pricing.
2. **Go-to-contract model** – putting **10% down** to hold properties while awaiting formal approvals.
3. **Architectural pre-inspections** – our architect reviews potential sites to ensure minimal rehab is required.

These steps have helped **accelerate the timeline** for getting new participants into homes while maintaining quality standards.



248 Main Street, Hempstead



58 Remsen Avenue,
Hempstead



23 Elisabeth Court,
Hempstead



244 Brown Avenue,
Hempstead

Lessons Learned & The Path Forward

Through these experiences, Mercy Haven has learned valuable lessons:

- Flexibility and creativity are essential in today's housing market.
- Early property control mechanisms are critical — but Letters of Intent may no longer be enough.
- Building strong partnerships with sellers, local officials, and funders remains key.
- Above all, perseverance pays off — because each home represents safety, dignity, and hope for the people we serve.



Closing

In closing, I'd like to thank **HHAP**, our staff, and all our community partners for their ongoing support and patience.

Despite obstacles — from reluctant sellers to pandemic shutdowns — we've turned challenges into opportunities, and our mission continues stronger than ever.

*Thank
You*