



STRATEGIC PLAN 2015-2020



Second Act CommunitiesSM is setting its sights on a new future where we create housing and supportive services that profoundly change the lives of our neighbors across the United States. Serving our neighbors in new ways and in new geographic areas, retaining the best and brightest talent and organizational sustainability are three strategic themes that guide our work over the next five years. The 2015 – 2020 Strategic Plan was developed through a collaborative effort of the Board of Directors, Executives and employee partners of Second Act CommunitiesSM and internal and external stakeholders.



Dear Stakeholders –

We take pride in our work and are excited about the future of the same as we continue to provide quality housing for our neighbors in Virginia and beyond. We are honored to present the 2015 – 2020 strategic plan that will continue to guide Second Act Communities in providing housing for our neighbors now and into the future.

This is a bold agenda that affirms the vision of Second Act Communities – that of creating quality homes for everyone and to be champions for supportive communities where people can not only survive but are empowered to live their best lives.

Our new plan focuses on serving more people in more ways through senior housing, housing for veterans and government workers, and comprehensive neighborhood revitalization initiatives. This plan is inspiring and achievable. It is accountable and flexible.

Thank you for all you do every day, to service so many.

Addie Wright Thomason, CEO

Jim Banks, President

EXECUTIVES

Addie Wright Thomason Chief Executive Officer

Jessica Guglielmo Chief Operating Officer

Casey Gollhofer Chief Finance Officer

Sharon Shoff Executive

BOARD OF DIRECTORS

James Banks President

Anthony Nero Vice President

Denise Howard Secretary/Treasurer

Christopher Beale Director

Gregory Dragas Director

Debra Grant Director

Carol Hare Director

Trent Mitchell Director



MISSION We create housing and supportive services that profoundly change the lives of our neighbors across the United States.

VISION Our vision is to create quality homes for everyone and to be champions for supportive communities where people can not only survive but are empowered to live their best lives.

VALUES Our work requires passion for all humanity, inclusivity, equal opportunity, trust, justice, courage, and respect for our partners and our neighbors.



Looking Back and Understanding the Past

Second Act CommunitiesSM was created in 1992 by the Virginia Beach Community Development Corporation (VBCDC) to expand, improve and provide decent housing that is affordable to low and moderate income households in the City of Virginia Beach. At the time of incorporation the organization was named Virginia Beach "HOME," Inc. We were organized to meet the requirements of a Community Housing Development Organization (CHDO) to receive a special allocation of funding under the Federal HOME program for which our partner organization, VBCDC, was ineligible. Without Second Act CommunitiesSM, a set aside of these HOME funds would be returned to the U.S. Department of Housing and Urban Development (HUD) unused each year.

1992

Since 1992, Second Act CommunitiesSM has developed over 100 units of affordable rental housing. Our development model was a scattered site model where we leveraged HOME funds with below market financing to develop affordable rental housing in the City of Virginia Beach. We acquired scattered site townhomes and performed extensive rehabilitation including modernization, energy efficiency improvements and correction of code deficiencies. Upon completion, the ownership of the properties was transferred to our partner organization, VBCDC, to lease, own, and manage as affordable rental housing.

For the next 20 years, Second Act CommunitiesSM continued to partner with VBCDC to codevelop affordable rental housing properties in the City of Virginia Beach. Second Act Communities acquired and rehabilitated the properties, then transferred the properties to VBCDC to lease, own and manage. In 2011, we received an allocation of Low Income Housing Tax Credit funding for Cedar Grove Apartments with co-developer and partner, VBCDC. For

this project, the credits were awarded from the non-competitive disabled pool and were used for the development and construction of 32 units of permanent supportive housing for homeless and disabled veterans. This program called Cedar Grove Apartments is an award winning community which celebrated its grand opening in October of 2013.

2012

In 2012, we changed our name from Virginia Beach "HOME," Inc. to Southeastern Virginia Housing Corporation and changed our bylaws to expand our geographic service area to the Hampton Roads region. This geographic service area expansion was necessary not only due to the lack of developable land in Virginia Beach, but also due to the emerging need for affordable housing development in other cities in the region.

2013

The year 2013 marked a new beginning for the organization. We received an allocation of Neighborhood Stabilization Program funding from the State Department of Housing and Community Development to develop a permanent supportive housing program in the City of Norfolk. Second Act CommunitiesSM purchased three government foreclosed single family homes in census tracts with high foreclosure rates. We performed extensive renovations to the homes and leased them to homeless families with children. These three homes were the first properties that we would develop outside the City of Virginia Beach. For the first time in the life of the organization we would maintain ownership of the properties rather than transferring the ownership to our partner organization, VBCDC.



Expanding our geographic area has opened new opportunities for creating affordable housing throughout the region.

2014-2015

In 2014 and 2015, Second Act CommunitiesSM developed eight units of scattered site affordable rental housing in the City of Virginia Beach by leveraging Community Development Block Grant (CDBG) and HOME grant funding with below market permanent financing. We will continue to own these properties and lease them to eligible families as affordable rental housing. In early 2015, after completing an analysis of our business and organizational sustainability, we further expanded the geographic service area to the United States of America and rebranded our organization as Second Act CommunitiesSM. Our new name, Second Act CommunitiesSM, emphasizes our focus on innovation in our commitment to revitalizing communities.

The Present

Today, Second Act CommunitiesSM owns and operates a permanent supportive housing program for homeless families in the City of Norfolk. Families pay rent based on their income and receive supportive services, case management and programming focused on housing stability. In the City of Virginia Beach, we own and operate a permanent rental housing program for low and moderate income families. Second Act CommunitiesSM continues to meet the requirements of a Community Housing Development Organization (CHDO) in the City of Virginia Beach as we have for the past 23 years. We have developed over 100 units of affordable rental housing for low and moderate income individuals and families, homeless and disabled veterans, and homeless families using federal, state and local grant funding leveraged with below market rate financing. Our vision for the future is bright. Our new geographic service area will open up doors of opportunity for us to create housing and supportive services that profoundly change the lives of our neighbors across the nation. We also remain equally committed to continued partnership with our founding organization, VBCDC.



We honored our Veterans with handmade Quilts of Valor[®], presented at a Veterans Day celebration at Cedar Grove.



Where we stand today

STRENGTHS

Our strengths include our ability to develop and operate award winning housing and supportive services programs that profoundly change the lives of our neighbors. We employ highly qualified and fully committed professionals who are dedicated to our mission. Our Board of Directors are leaders in the community and are committed to the organization. Finally, Second Act CommunitiesSM has a proven track record of stewardship and fiscal responsibility.

WEAKNESSES

Organizational weaknesses include insufficient technology, the inability to compete against forprofit developers for land and projects due to lack of capital, and reliance on grant funding and developer fees to support operations.

OPPORTUNITIES

A number of national and state wide initiatives offer opportunities for housing and programmatic development. One such initiative includes the Veterans Administration's plan to end homelessness among veterans. With the co-development of Cedar Grove Apartments in 2013, Second Act CommunitiesSM has emerged as a leader in developing permanent supportive housing for homeless veterans and has been approached about replicating the development in other localities. Federal and state funding for housing has steadily declined and may lead to opportunities to offer services to Housing Authorities and localities nationwide as they downsize or shift operations and staffing in response to decreased funding. Affordable housing remains a need in the City of Virginia Beach and across the state. In 2013, data from the U.S. Census,

American Community Survey, and the Virginia Tech Center for Housing Research shows that more than half of all renters in the City of Virginia Beach are cost burdened and are paying more than 30% of their income for housing related expenses. Additionally, in households with incomes less than \$50,000, 55% of renters are cost burdened. Similarly, data from these same sources indicate that 46% of renters across the state are cost burdened. These cost burdened households include many private sector employees as well as municipal employees, teachers and first responders.

CHALLENGES

Community misperception and opposition remain a threat to our continued development of quality housing that is affordable. When land or a suitable development project is identified, Second Act CommunitiesSM lacks the development capital to compete with for-profit developers. We are unable to quickly assemble the funding needed to be competitive when bidding against other for-profit entities for the purchase of existing multifamily portfolios on the market.



Cost-burdened renters in the region include municipal employees, teachers and first responders



Our Stakeholder Process

Second Act CommunitiesSM engaged both internal and external stakeholders in the creation of our new five year strategic plan to ensure broad input. We engaged in Community Conversation events during the months of March 2015 and April 2015 along with our partner organization, VBCDC, and invited local civic leaders, banks and foundations, representatives from local, state and federal government, ecumenical leaders, social and human service organizations and current and former neighbors to gain insights, ideas and feedback about the proposed direction of our plan. Each session was moderated by a facilitator who engaged stakeholders in a dialogue. We hosted three events and heard from more than 125 individuals representing different sectors of the community and different localities in Hampton Roads. In addition to the Hampton Roads community, our employee partners from all levels of the organization were invited to participate and give feedback on the plan. This comprehensive engagement process produced constructive reflections on the new strategic direction.

Some common themes emerged from stakeholder discussions. There is a need for housing that is affordable and well maintained for young professionals and entry level workers. The City of Virginia Beach risks losing talent to other geographic areas due to the cost burden of housing in our City. There is a growing need for housing for persons with disabilities, young adults aging out of foster care, teachers, adults 55 and better, and ex-offenders. Housing needs to be developed for all citizens including those who are financially burdened and vulnerable. Newly developed housing that is created for persons with disabilities should be diverse and integrated. Second Act CommunitiesSM along with its advocates and supporters need to work hard to dispel the images that affordable housing and persons occupying affordable housing lack a sense of community.

Looking Forward

Second Act CommunitiesSM is committed to serving more neighbors in new ways and in new geographic areas by creating additional housing with programs and services that profoundly change the lives of those we serve. We are equally committed to our employee partners who are the foundation of our organization. SAC strives to retain the best and brightest talent and strengthen our organizational infrastructure to better support our employee partners and operations through advancements in technology and knowledge management. Through the efficient use of resources, we will reduce paper consumption, increase recycling, and be good stewards of the environment. We are excited about the new strategic direction of our organization. Through its strategies and initiatives, this plan is the key that unlocks the door to financial sustainability.

Strategic Themes

We have identified three strategic themes that provide the framework for our operations over the next five years. They define the major organizational direction and represent key areas of focus as we strive to achieve our vision and desired future.



Second Act CommunitiesSM will serve more neighbors in new ways and in new geographic areas.



Second Act CommunitiesSM will attract and retain the best and brightest talent for its staff and board.



Second Act CommunitiesSM will become financially sustainable.



Second Act CommunitiesSM
will serve more neighbors
in new ways and in new
geographic areas by 2020.

STRATEGY
1

Develop 450 new multi-family rental housing units owned by SAC or VBCDC by 2020.

STRATEGY
2

Develop profitable initiatives to increase unrestricted income by 10% year over year starting in 2016.

STRATEGY
3

Increase public awareness and support for quality housing for all in geographic service area beginning July 2015.



SAC will attract and retain the best and brightest talent for its staff and board.

1
STRATEGY

Employee engagement survey distributed spring 2020 will reflect above average partner satisfaction ratings for 90% of partners surveyed.

2
STRATEGY

Develop a Board Recruitment and Retention Plan by July 2017.

3
STRATEGY

Develop information technology, knowledge management and efficiency functions by July 2017 to reduce the organization's environmental footprint.



SAC will become financially sustainable by 2020.

1
STRATEGY

Implement a joint funds development plan with VBCDC to increase philanthropic and individual donations by 15% year over year beginning 2015 to fund an endowment.

2
STRATEGY

Develop sound business models for new projects by December 2015.

3
STRATEGY

Develop creative financing options for SAC to support development and operating activities.