

A COMMUNITY OF FRIENDS



2023 ANNUAL REPORT





DIGNITY

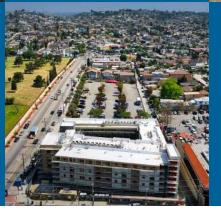


EXCELLENCE





COMMUNITY



EQUITY



Founded in 1988, A Community of Friends is committed to our core values of Dignity, Community, Excellence and Equity.

Dignity – All people deserve respect and a home, regardless of circumstance.

Excellence – We are personally and organizationally committed to providing quality housing and services.

Community – Our projects and services promote sustainability and serve as a foundation for stability, health and wellbeing.

Equity – We are committed to advancing equal opportunity and access in our work.

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ABOUT **ACOF**

For thirty-five years ACOF has tirelessly pursued its mission is to end homelessness through the provision of quality permanent supportive housing for people with mental illness. Our belief is that people living with mental illness deserve quality housing that supports them to thrive, and to live in community with neighbors who become friends. ACOF's work is guided by our core values: Dignity, Excellence, Community, and Equity.

ACOF emerged as a response to the escalating crisis of homelessness among individuals with mental illnesses, a consequence of deinstitutionalization in the 1980s. We pioneered the Permanent Supportive Housing model which is now a sectorwide best practice. Founded in 1988, ACOF works on three strategic areas: developing and maintaining high-quality rental properties; facilitating long-term success by providing on-site support, including services, programs, and case management; and ensuring affordability, so no more than 30% of tenants' income goes toward rent. This housing-first approach allows tenants to focus on their mental and physical health from a stable and supportive base, without the burden of market rent.

Our sector-wide leadership includes staff members serving on local, statewide, and national committees and helping to train the next generation of leaders through the Housing Development Training Institute (HDTI). By sharing our expertise, the ripple effects of our learning enhance the field of permanent supportive housing and maximize the sector's ability to respond to the housing and homelessness crisis.ACOF serves over 2,600 people, including 627 children in 44 apartment communities in Los Angeles and Orange counties. In the 2022 – 2023 fiscal year, we have broken ground on projects in Los Angeles, Orange, Ventura, and Riverside counties, which will bring 472 new affordable homes to the region.

In building affordable homes for people impacted by mental illness, we are at the frontlines of combatting homelessness, and in so doing we celebrate the courage and resilience of our tenants, challenging people's stigmas and stereotypes along the way. Our steadfast commitment to our mission and our unparalleled housing production record continue to distinguish ACOF as a respected leader in the field.









ACOF COMMUNITIES





























































CHARTERED MEMBER



35th Anniversary Celebration



Hammer Series Panel



Huntington Square Groundbreaking



Lorena Plaza Groundbreaking

HIGHLIGHTS FISCAL YEAR 2023

NOTABLE EVENTS

35th ANNIVERSARY CELEBRATION

On June 7, 2023, ACOF celebrated its 35th anniversary, presenting two awards and reflecting on ACOF's thirty-five years of impact. City of Los Angeles Mayor Karen Bass was honored for her leadership in addressing the homelessness crisis in Los Angeles and ACOF tenant Derek Henderson received the 2023 Achievement Award recognizing his inspiring journey from homelessness to stability, made possible through his grit and perseverance coupled with ACOF's supportive housing.

The event celebrated some of our key milestones, including its founding in 1988, the completion of 51 apartment buildings, and ACOF's pivotal role in changing legislation in 2008 to allow state funding for veterans-only housing. Other achievements celebrated were ACOF's Health and Housing pilot program launched in 2008 which has now expanded into a suite of supportive services, and our commitment to quality and sustainability demonstrated by our LEED® Platinum building certification and net-zero energy developments.

As ever, this event was generously supported by many of our valued donors, whose event sponsorships and donations help fuel the year-round transformative work of ACOF. Beth Garfield and Wally Knox were Patron-level sponsors, and City National Bank, EPIC Insurance Brokers, First Citizens Bank, Paul Hastings, Phil & Cindy Feder, and US Bank were Champion-level sponsors.

The event celebrated ACOF's enduring commitment to ending homelessness by providing quality affordable housing and essential services, helping individuals and families thrive as they remain stable in housing. Watch the video here.

HAMMER SERIES: DECONFLATING L.A.'S HOMELESS AND **MENTAL HEALTH CRISES**

On June 6, 2023, ACOF President & CEO Dora Leong Gallo joined a distinguished panel, including Jon Sherin, former Director of the L.A. County Department of Mental Health, and Pete White, Executive Director of LA CAN. Hosted by journalist Anna Scott, the discussion addressed the intersection of L.A.'s housing crisis and mental health challenges, exploring the impact on those with severe mental illness and potential policy solutions. An engaged audience attended this event at The Hammer, and the video continues to be accessed online as part of the Hammer Channel project. Watch the video here.

PROJECT MILESTONES

LORENA PLAZA GROUNDBREAKING

At long last, ACOF and LA Metro broke ground on Lorena Plaza on November 9, 2022. Located next to the Gold Line about a quarter mile from the Indiana Station, Lorena Plaza will be a four-story apartment building with 49 affordable housing units and 7,500 square feet of commercial space. The development will consist of studio, one, two, and three-bedroom apartments, and half of the units will be set aside for veterans who may be either unhoused or low-income. Watch the video here.

"The need for affordable and permanent supportive housing has never been more urgent," said L.A. County Supervisor and Metro Board Member Hilda Solis. "The need for more housing in Boyle Heights, a community in the First Supervisorial District, is great. By leveraging Metro property for housing and other community benefits, the Metro Joint Development Program is a powerful means of improving Angelenos' access to opportunity." We are excited that Lorena Plaza is finally under construction. We thank Metro for their steadfast support, as well as the many people in Boyle Heights and throughout the city that supported this project," said Dora Leong Gallo, ACOF's President and CEO.

HUNTINGTON SQUARE GROUNDBREAKING

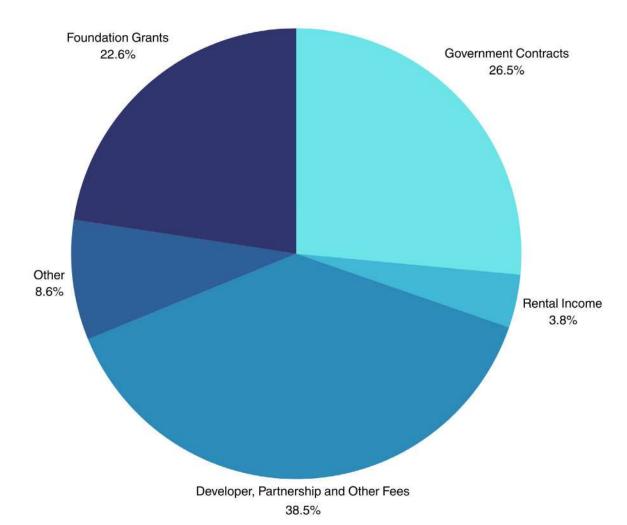
The groundbreaking ceremony for Huntington Square took place on May 4, 2023, celebrating this significant development in affordable housing. Speakers included The Honorable Janice Hahn and LA County Supervisor, 4th District, The Honorable Eduardo Martinez, Mayor of Huntington Park.

Located in Huntington Park, Huntington Square will be a 48-unit apartment community providing stable, supportive housing for low-income seniors and formerly homeless senior veterans. The development includes studio and one-bedroom units. Tenants will receive essential services from A Community of Friends, the Los Angeles County Department of Mental Health, and the Department of Veteran Affairs Greater Los Angeles Healthcare System.

FINANCIAL **SUMMARY**

During the fiscal year that ended June 30, 2023, A Community of Friends (parent company only) reported an increase in net assets from operations in the amount of \$3,197,847. Revenue remained stable as ACOF started construction on three new affordable housing buildings during the 2023 fiscal year. While our revenue remained stable, ACOF's expenses increased due to inflation and increased staffing as ACOF's property management line of business ramped up.

ACOF 2023 REVENUE BREAKDOWN



PARENT COMPANY ONLY

STATEMENT OF ACTIVITIES	2023	2022	
Total revenue	\$14,622,498	\$14,261,277	
Total expense	\$11,424,651	\$10,129,683	
Change in net assets	\$3,197,847	\$4,131,594	

STATEMENT OF FINANCIAL POSITION	2023	2022	
Current Assets	\$19,289,901	\$15,575,362	
Land, building, and equipment net depreciation	\$2,556,621	\$2,481,378	
Other long term assets	\$34,663,087	\$28,956,248	
Total assets	\$56,509,609	\$47,012,988	
Current liabilities	\$4,458,893	\$4,702,049	
Long term liabilities	\$29,005,538	\$23,176,224	
Total liabilities	\$33,464,431	\$27,878,273	
Net Assets			
Without donor restrictions	\$22,361,431	\$18,713,671	
With donor restrictions	\$683,747	\$421,044	
Total net assets	\$23,045,178	\$19,134,715	
TOTAL LIABILITIES AND NET ASSETS	\$56,509,609	\$47,012,988	

Note: Financial data based on ACOF's audited consolidated financial statements.



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