Joint Board Chair & CEO Message

A Community of Friends (ACOF) is pleased to present our annual report for FY 2016-2017, which provides an overview of our work during ACOF’s 29th year.

Consistent with ACOF’s past history, housing production continued at a brisk pace this past year with both Arlington Square and Silver Star Apartments obtaining its Certificate of Occupancy. These two developments added 97 units to ACOF’s expanding portfolio of permanent supportive housing. Meanwhile, construction continued with Beverly Terrace, in partnership with St. Anne’s Maternity Home, and we broke ground on Fullerton Heights, which expands ACOF’s footprint in Orange County. Finally, we held the grand opening of Cedar Springs, a supportive housing development in partnership with David & Margaret Youth and Family Services in the city of La Verne that provides housing for young adults transitioning from foster care.

Residential Services continued to expand its services program to help ACOF tenants with the addition of a third Substance Abuse Recovery Specialist and the hiring of a Health and Housing Fellow funded by Enterprise Community Partners. Both positions strengthened our capacity to provide tenants with the tools they need to live productive lives.

A large part of ACOF’s year, however, was spent on policy and advocacy. ACOF was proud to support both Proposition HHH (city of Los Angeles) and Measure H (Los Angeles County) this past year, an unprecedented effort in the region to end homelessness. Voter approval of Proposition HHH will increase the supply of permanent supportive housing in the city of Los Angeles. Approval of Measure H will provide much-needed services to people living in permanent supportive housing and other essential services to prevent homelessness.

After seven years, ACOF will be transitioning board leadership to Sean Leonard in the next fiscal year. Sean is uniquely qualified to lead ACOF’s board. He has more than 30 years of experience in real estate and construction management and has served on ACOF’s board for 16 years.

As always, we thank you for your nearly three-decade support and we look forward to celebrating our 30th anniversary with you in 2018.

Sincerely,

Helena L. Jubany, FY2016-2017 Board Chair
Sean L. Leonard, FY2017-2018 Board Chair
Dora Leong Gallo, CEO
Highlights for FY2017

With nearly three decades of providing permanent supportive housing in Southern California, A Community of Friends is well positioned to serve our existing tenants, meet the needs of future tenants, and continue on our mission to end homelessness for people with mental illness.

- Started construction on Fullerton Heights, totaling 36 units and 2,000 square feet of commercial space.
- Completed Arlington Square and Silver Star Apartments.
- Initiated a Health and Housing Program.
- Awarded and recognized by NeighborWorks America as a Green Organization for our dedication to sustainability in our operations, buildings and property management.
- Welcomed new Board Member Danielle Vasquez (pictured).
- Recognized The Honorable Herb Wesson, Nadine Watt, Rusty Kennedy, and James Puntar at its 15th Annual Beyond Perceptions Awards Celebration at the Walt Disney Concert Hall.

Captured on the Grand Staircase at the Walt Disney Concert Hall during the 15th Annual Beyond Perceptions Awards Celebration (pictured left to right): Dora Gallo, CEO, the Honorable Herb Wesson, President, Los Angeles City Council; Nadine Watt, President, Watt Companies; James Puntar, Tenant, Osborne Place Apartments; Helena Jubany, Board Chair; and Rusty Kennedy, CEO, Orange County Human Relations.
Honored Guests (pictured above) including Fullerton Council Member Jennifer Fitzgerald, Fullerton Mayor Doug Chaffee, Assembly Member of District 65 Sharon Quirk-Silva, and Fullerton Council Member Bruce Whitaker assisted CEO Dora Gallo at the Fullerton Groundbreaking.
Housing Development

FY 2017 was another productive year for the Housing Department with continued portfolio expansion, including energy efficiency solutions incorporated into all projects.

Fiscal 2017 saw the groundbreaking of ACOF’s Fullerton Heights development—the first permanent supportive housing community in the city of Fullerton (pictured left). Once completed, the property will feature 36 units (18 one-bedroom, seven (7) two-bedroom, and 11 three-bedroom units) and approximately 2,000 square feet of commercial space. This project is also pursuing United States Green Building (USGBC) LEED® Gold certification. Green features will include drought tolerant plantings, solar panels, solar hot water system, bioswales, and high efficiency appliances.

Beverly Terrace, located in the city of Los Angeles, is further along the construction timeline and once completed, will provide 40 affordable apartments for transition age youth exiting the foster care system who have a young child. This project is also targeting LEED® Platinum certification.

Construction for both Arlington Square and Silver Star Apartments, both located in the city of Los Angeles, was completed. Arlington Square features 24 studio units, 23 one-bedroom units and one two-bedroom manager’s unit. It is a 100% special needs community serving individuals who were homeless and living with mental illness with 35% of the units (17) reserved for veterans, and 20% of the units (10) reserved for people living with HIV/AIDS. Arlington Square is pursuing United States Green Building Council (USGBC) LEED® Gold Certification.

Silver Star Apartments is the first Zero Net Energy (ZNE) multi-family, affordable housing project in the city of Los Angeles. This building is completing its journey to become Living Building Challenge Energy Petal Certified, and it has been LEED for Homes Platinum Certified and Energy Star Homes Certified. Key features include a greywater system with estimated savings of nearly half a million gallons of water per year and a rooftop solar photovoltaic system, which will reduce the operating cost of the building. This development is a 100% special needs community targeting veterans who were homeless and have disabilities.

ACOF also purchased a vacant property on Miramonte Boulevard in the Florence-Firestone area of unincorporated Los Angeles. This site will be the future home of Miramonte Apartments—a 44-unit contemporary style, three-story building within walking distance of a Metro Blue Line light rail station.

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Fullerton Heights

Arlington Square

Silver Star Apartments

Beverly Terrace

Miramonte Apartments
Asset and Property Management

FY 2017 was a productive year for Asset and Property Management with a myriad of improvements at multiple properties.

The Asset and Property Management team saw nearly a dozen improvement projects completed in FY2017. Prudent management of resources and savings allow ACOF to provide enhancements that are appreciated by tenants and their families. Projects completed include:

- **Tyrol Plaza:** New landscaping services that included a new hot water system, patio furniture, large storage room and landscaping enhancements; a new air condition system, flooring in laundry room and first floor hallway.

- **ND Sepulveda I and II:** Installation of two new gym rooms that meet standard health club safety specifications. Other features included a drinking fountain, extra cameras, recycled rubber mat flooring, mirrors and three 55-inch, cable-ready flat screens.

- **Fox Normandie:** Updated to include vinyl wood plank flooring throughout the entry and hallways. The community room was relocated to the third floor and a computer lab was added. Moreover, the laundry room was also updated with new laundry equipment.

- **Amistad Apartments:** New cameras and fob system were added.

- **Willow Apartments:** Cameras, new floors in four units, the community room, and the kitchen were added. Also, a new solar energy system was installed.

- **Vista Nueva:** New furniture was added to the community room.

- **Figueroa Court:** New solar energy system installed.

- **Sonya Gardens:** New refrigerators, and toilets were added; removed and replaced wood support beams on the roofs at several locations, and replaced flooring.

*Pictured below:* New weight room built to health club safety standards installed on the New Directions Sepulveda I and II campus.
Services

Promoting wellness, enhancing stability, and increasing community engagement are some of the key goals the Services Staff strives for in helping more than 2,500 ACOF tenants and their families.

Key accomplishments in 2017 include:

- Deepened partnership with the University of Southern California Master’s of Social Work by increasing the use of interns from two to seven.

- Enrolled 51 tenants in our “Bridges to Recovery Hope & Home” program funded by Substance Abuse and Mental Health Services Administration in partnership with the CLARE Foundation utilizing evidence based practices such as Critical Time Intervention, Motivational Interviewing, and Stages of Change. Out of the 51 enrollees, 47 remain housed and participating in services.

- Hired a Health and Housing Fellow funded by Enterprise Community Partners. The Health and Housing Fellow is developing a program to link tenants with accessible health services such as referrals to nearby clinics and on-site services that can vary from nutrition, fitness, and/or health education.

- Expanded our Substance Abuse Recovery Specialist (SARS) staff from two to three employees.

- Provided professional photography services through Help-Portrait Los Angeles to our tenants of Figueroa Courts, Brandon Apartments, and Vista Nueva Apartments. More than 40 families participated in a global event designed to provide individuals and families an opportunity to see themselves in a positive, empowering light.

- Continued to provide every ACOF building an end of the year holiday party that consisted of a full dinner, and for our family buildings, each child received a holiday present.
Financial Summary

During the fiscal year that ended June 30, 2017, revenues for A Community of Friends decreased due to a decrease in developer fees. However, ACOF still reported an increase in net assets from operations in the amount of $349,724. The negative change in net assets in the amount of $427,140 was the result of a $776,864 loss from investments in partnerships.

### Revenue Sources

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<th>Source</th>
<th>2017</th>
<th>2016</th>
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<tr>
<td>Fees</td>
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<tr>
<td>Government Grants</td>
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<tr>
<td>Other</td>
<td>14.16%</td>
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<td>Foundation Grants</td>
<td>10.02%</td>
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<tr>
<td>Rents</td>
<td>3.86%</td>
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### Financial Summary

#### Statement of Activities

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<th>2016</th>
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<td>Total Revenue</td>
<td>$8,093,625</td>
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<td>Total Expense</td>
<td>8,520,765</td>
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<td>Change in net assets</td>
<td>$(427,140)</td>
<td>$1,401,464</td>
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#### Statement of Financial Position

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<th>2016</th>
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<tr>
<td>Current assets</td>
<td>$5,261,718</td>
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<td>Land, building and equipment net of depreciation</td>
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<td>Other long term assets</td>
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<td>27,353,168</td>
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<td>Total assets</td>
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<td>Current liabilities</td>
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<td>Long term liabilities</td>
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<td>Total liabilities</td>
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<td>Unrestricted net assets</td>
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<td>Temporarily restricted net assets</td>
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<td>Permanently restricted assets</td>
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<td>170,000</td>
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<tr>
<td>Total net assets</td>
<td>$12,053,443</td>
<td>$12,480,583</td>
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<tr>
<td>Total Liabilities and Net Assets</td>
<td>$41,213,907</td>
<td>$38,977,300</td>
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Note: Financial data based on ACOF’s audited financial statements.
Services Partners FY16–17

American Heart Association
Anaheim Supportive Housing
Catholic Charities
CLARE Foundation
David & Margaret Youth and Family Services
Gateways Hospital & Mental Health Center
Help Portrait
Heritage Clinic
Homeless Health Care Los Angeles
HOMES, Inc.
Housing Works
Imagine LA
Jovenes
Mental Health Advocacy Services
MJ Housing & Services
New Directions for Veterans
Orange County Regional Center
Pacific Clinics/Portals
PATH Ventures
Penny Lane Centers
Project Independence
San Fernando Valley Community Mental Health Center
Shelter Partnership
South Central Health and Rehabilitation Program (SCHARP)
Special Service for Groups
St. Anne’s Maternity Home
Step Up on Second
Telecare
The People Concern
The Way Forward
Tri-City Mental Health
U.S. VETS
United in Harmony/Camp Harmony
University of California, Los Angeles – Community Service Commission
University of Southern California, School of Social Work
Yetunde Price Resource Center

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