

2007 Annual Report



ABOVE: THE BENAVIDES FAMILY, NEW BRIDGE RESIDENTS

Dear Friends:

For BRIDGE Housing, 2007 could best be described as a year of leverage. On multiple fronts—policy, geography, business, community—BRIDGE parlayed earlier ideas and accomplishments into significant levers for tackling housing challenges.

Proposition 1C, the \$2.85 billion infrastructure and housing bond BRIDGE worked so diligently to pass in 2006, began to yield results for us and our partners in the field. By the end of 2007, we were drafting applications requesting Prop 1C funding for eight properties; at press time, the state had awarded over \$105 million to BRIDGE developments.

In Southern California, we deepened our footprint by opening an office in Los Angeles in the fall. A kickoff luncheon for leaders from the business, development, government, philanthropy, education and civic sectors provided a forum for BRIDGE to strategize with others about practical ways to meet the escalating affordable housing needs of the Los Angeles region.

And in Palo Alto, BRIDGE and our affiliate BRIDGE Urban Infill Land Development (BUILD) worked with the city to leverage 15 required inclusionary units into 56 homes for very low-income seniors plus create a mortgage assistance program targeted to the local workforce.

Many working families that live in BRIDGE properties have a strong desire to ascend the economic ladder by getting better jobs through furthering their education and training. In the fall, we presented more

than a dozen BRIDGE residents with Alan and Ruth Stein Educational Assistance awards and laid the groundwork to significantly expand the program in 2008. “When I finish my nursing degree and get a new job,” declared recipient Ezihe Ekpemiro, “I would like to save to buy my own home.”

Creating homeownership opportunities for working families has long been an important facet of BRIDGE’s work. In 2007, we started construction of 269 below-market-rate homes. To date, more than 10,000 people have registered with our HomeBricks affiliate, which matches prospective first-time homebuyers with new affordable homes developed by BRIDGE and other homebuilders.

Overall, 2007 was a tremendous year as BRIDGE completed or acquired nearly 1,000 apartments and homes, and leased up and commenced management of 680 of those apartments. *Affordable Housing Finance* magazine named BRIDGE as one of the top 10 affordable housing developers in the country. We could not have accomplished this alone, and we wish to thank our many friends and partners, who share our passion for making every year a better year for Californians.

Carol J. Galante
President & CEO

Alan L. Stein
Chairman of the Board

With more than 3000 homes and apartments either completed or in construction, 2007 was exemplary. In addition, we jumpstarted work on developments that represent a wide range of affordable opportunities, including:

- Entitlement of Comm22, a mixed-use, transit-oriented development in San Diego that will provide 252 new homes for a mix of income levels, community-serving retail and commercial space, and significant upgrades to the area infrastructure.
- Partnering with Westlake Development Group and BART to create San Leandro Crossings, a transit-oriented, mixed-use development. The multi-phase project will add approximately 700 apartment homes and as much as 200,000 square feet of office and retail space to the area.
- Converting an existing apartment building into 27 affordable for-sale condominiums in conjunction with the City of Millbrae.
- Acquiring, renovating and “greening” Woods Manor, an 80-apartment family rental property in Pittsburg purchased through our new acquisition fund.



LEFT TO RIGHT: EZIHE EKPEIRO, 2007 ALAN AND RUTH STEIN EDUCATIONAL ASSISTANCE PROGRAM RECIPIENT;
ARROYO POINT APARTMENTS, SANTA ROSA

BRIDGE
DEVELOPMENTS

PROJECT NAME	PROJECT LOCATION	PROJECT TYPE	TOTAL HOMES & APARTMENTS	AFFORDABLE HOMES & APARTMENTS	PROJECT VALUE	BRIDGE	BUILD*	HomeBricks**
BRIDGE DEVELOPMENTS COMPLETED/IN SERVICE 1983-2007			11,713	8,581	\$1,652,516,882			
IN CONSTRUCTION								
4545 KENTFIELD ROAD	STOCKTON	FAMILY RENTAL	90	90	\$ 15,500,000	•		
88 SOUTH BROADWAY	MILLBRAE	FAMILY OWNERSHIP	10	10	3,704,960			•
901 SAN ANTONIO ROAD/FABIAN WAY SENIOR	PALO ALTO	SENIOR RENTAL/FAMILY OWNERSHIP	159	56	113,200,000	•	•	
ARMSTRONG PLACE TOWNHOMES	SAN FRANCISCO	FAMILY OWNERSHIP	124	124	60,000,000	•		•
CENTRAL STATION/IRONHORSE APARTMENTS	OAKLAND	FAMILY RENTAL/LAND DEVELOPMENT	596	99	51,500,000	•	•	•
CITRA	SUNNYVALE	FAMILY RENTAL	147	15	39,800,000		•	
COTTONWOOD CREEK APARTMENTS	SUISUN CITY	FAMILY RENTAL	94	94	27,500,000	•		
CRIMSON (LEWIS ROAD)	SAN JOSE	FAMILY OWNERSHIP	80	4	50,700,000		•	
GEARY BLVD. SENIOR LIVING AND HEALTH CENTER	SAN FRANCISCO	SENIOR RENTAL	150	150	63,000,000	•		
IRVINGTON VILLAGE PHASE I	FREMONT	FAMILY OWNERSHIP	115	0	64,200,000		•	
IRVINGTON VILLAGE PHASE II	FREMONT	FAMILY OWNERSHIP	168	25	99,400,000		•	
KIRKER CREEK	PITTSBURG	FAMILY RENTAL	542	109	74,500,000		•	
MANDELA GATEWAY TOWNHOMES	OAKLAND	FAMILY OWNERSHIP	14	14	5,800,000	•		•
THE MINT COLLECTION	SAN FRANCISCO	FAMILY OWNERSHIP	2	2	423,239			•
MISSION WALK	SAN FRANCISCO	FAMILY OWNERSHIP	131	131	63,500,000	•		•
MOSAICA 601	SAN FRANCISCO	FAMILY OWNERSHIP	21	21	5,596,990			•
ONE EAST JULIAN	SAN JOSE	FAMILY OWNERSHIP	8	8	2,493,000			•
TRESTLE GLEN AT COLMA TRANSIT VILLAGE	COLMA	FAMILY RENTAL/OWNERSHIP	151	119	44,500,000	•		
2007 IN CONSTRUCTION			2,602	1,071	\$ 785,318,189			
IN APPROVALS								
474 NATOMA	SAN FRANCISCO	FAMILY OWNERSHIP	57	57	30,500,000	•		
ARMSTRONG PLACE SENIOR	SAN FRANCISCO	SENIOR RENTAL	112	112	25,700,000	•		
CENTRAL PARK	IRVINE	FAMILY OWNERSHIP	62	62	19,500,000	•		•
COMM 22	SAN DIEGO	FAMILY/SENIOR/RENTAL/OWNERSHIP	252	197	60,000,000	•		•
DOLORES LIA	MILLBRAE	FAMILY OWNERSHIP	27	27	10,200,000	•		•
IVY AT COLLEGE PARK	CHINO	FAMILY RENTAL	135	135	33,600,000	•		
LINDEN LOFTS	OAKLAND	FAMILY OWNERSHIP	50	TBD	17,500,000	•		
LONG BEACH BOULEVARD	LONG BEACH	FAMILY/SENIOR RENTAL	105	86	38,000,000	•		
MACARTHUR TRANSIT VILLAGE	OAKLAND	FAMILY RENTAL/OWNERSHIP	624	108	213,200,000	•	•	
POTTERY COURT	LAKE ELSINORE	FAMILY RENTAL	90	90	24,000,000	•		
POTRERO TERRACE/POTRERO ANNEX	SAN FRANCISCO	FAMILY/SENIOR/RENTAL/OWNERSHIP	1251	835	444,258,564	•	•	•
SAN LEANDRO CROSSINGS	SAN LEANDRO	FAMILY MIXED	300	100	115,000,000	•		
SIERRA VISTA	STOCKTON	FAMILY/SENIOR/RENTAL/OWNERSHIP	522	317	82,000,000	•		
ST. JOSEPH'S - SENIOR	OAKLAND	SENIOR RENTAL	84	84	34,700,000	•		
ST. JOSEPH'S - FAMILY	OAKLAND	FAMILY RENTAL/OWNERSHIP	70	70	34,000,000	•		
WOODS MANOR	PITTSBURG	FAMILY RENTAL	80	80	19,150,000	•		
2007 IN APPROVALS			3,821	2,360	\$1,201,308,564			
GRAND TOTAL TO DATE			18,136	12,012	3,639,143,635			

* BRIDGE Urban Infill Land Development (BUILD) invests capital and provides entitlement expertise in development efforts led by BUILD and by our quality partners.

** HomeBricks, a BRIDGE affiliate, performs fee-for-service work on behalf of other entities in some cases.

CONSOLIDATED
STATEMENT
OF FINANCIAL
POSITION

	2007	2006
ASSETS		
Cash and cash equivalents	\$ 70,973,000	51,652,000
Restricted cash and deposits	43,501,000	40,075,000
Accounts receivable - net	5,259,000	\$3,303,000
Notes receivable	36,799,000	39,169,000
Prepaid expenses, deposits and impounds	9,740,000	13,682,000
Property and equipment - net	832,090,000	774,361,000
Deferred costs - net	14,435,000	9,297,000
Land under lease and other investments	8,605,000	8,726,000
Total assets	1,021,402,000	940,265,000
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	12,684,000	20,284,000
Notes and interest payable	625,189,000	601,164,000
Deferred revenues	31,981,000	32,598,000
Security and other deposits	4,176,000	3,781,000
Total liabilities	674,030,000	657,827,000
Net assets:		
Unrestricted:		
Controlling interests	68,182,000	54,123,000
Non-controlling interests	218,062,000	182,638,000
Total unrestricted	286,244,000	236,761,000
Temporarily restricted:	59,378,000	43,927,000
Permanently restricted:	1,750,000	1,750,000
Total net assets	347,372,000	282,438,000
Total liabilities and net assets	\$ 1,021,402,000	940,265,000

* The above Financial Statements were consolidated adopting EITF 04-5 whereby entities which BRIDGE controls are consolidated.
To obtain a copy of BRIDGE's audited financial statements, please contact the BRIDGE offices.

CONSOLIDATED
STATEMENT OF
ACTIVITIES

	2007	2006
SUPPORT AND REVENUE:		
Rental income – net of vacancies and concessions	\$ 66,013,000	\$ 62,249,000
Management revenue	3,806,000	4,254,000
Contributions	2,097,000	1,907,000
Project-Related Contributions	15,274,000	350,000
Interest income	5,497,000	4,032,000
Other	23,271,000	2,221,000
Total support and revenue	115,958,000	75,013,000
EXPENSES:		
Program services ⁽¹⁾	77,324,000	66,618,000
Supporting services	1,843,000	2,314,000
Fundraising	252,000	
Total expenses	79,419,000	68,932,000
Cash Operating Income	\$ 36,539,000	\$ 6,081,000

⁽¹⁾ Expenses exclude \$24,307,000 and \$21,385,000 of non-cash Depreciation and Amortization Expense and \$5,451,000 and \$5,433,000 of non-cash Interest Expense on project related subordinate financing in 2007 and 2006 respectively.



LEFT TO RIGHT: IRVINGTON TERRACE, GOLD NUGGET GRAND AWARD WINNER, FREMONT;
LOCAL EMPLOYEES AT 99¢ ONLY, MANDELA GATEWAY, OAKLAND



INVESTING IN SUSTAINABILITY



LEFT TO RIGHT: GRAND OAK APARTMENTS, SOUTH SAN FRANCISCO; MISSION WALK GROUNDBREAKING, SAN FRANCISCO

With the critical need for affordable housing in California, green building measures could take a backseat to production numbers and deadlines. However, our experience shows that sustainable measures provide tangible benefits for residents and the community and are a worthwhile investment. Many BRIDGE properties are transit-oriented developments in urban locations, which are inherently “green,” but we don’t stop there. We include additional features and ensure that we are reaching for the highest levels of certification programs such as GreenPoint Rated and LEED. Mission Walk, for instance, a homeownership community under construction in San Francisco, is pursuing LEED certification.

BRIDGE is equally committed to green building in suburban communities. Cottonwood Creek, for example, in Suisun City, offers a photovoltaic

panel system that generates all of the property’s common-area electricity. With this and other energy-efficiency measures, the property exceeds California’s Title 24 building requirements by 15 percent.

Photovoltaic panels also provide power for the common areas at Grand Oak Apartments in South San Francisco. In addition, the property uses bioswales, landscape elements designed to remove silt and pollution from storm water runoff.

Regardless of location, every new BRIDGE community incorporates standards developed by our internal Green Building Committee. BRIDGE is also “greenhabbing” many older properties. At Coleridge Park Homes in San Francisco, for example, we upgraded selected windows to double-paned and replaced the roof with Energy Star-rated roofing material.

BRIDGE is grateful for the support and partnership we receive from many organizations and individuals. We are especially appreciative of the significant support provided by the following in 2007:

DOUGLAS D. ABBEY

RICHARD AND CONNIE ADAMS

BARBARA AND GERSON BAKAR

BANK OF AMERICA

CITI FOUNDATION

S. H. COWELL FOUNDATION

DEIRDRE ENGLISH

FANNIE MAE

THE FORD FOUNDATION

SCOTT AND JESSICA GERBER

GROSS & BELSKY LLP

EVELYN & WALTER HAAS, JR. FUND

MIRIAM AND PETER HAAS FUND

THE F.B. HERON FOUNDATION

HOLLIDAY DEVELOPMENT

RICK AND NANCY HOLLIDAY

THE HOME DEPOT FOUNDATION

IHP CAPITAL PARTNERS

BRADLEY INMAN

GEORGE M. & ADELAIDE M. KELLER FOUNDATION

JOHN LAING HOMES

THE JOHN D. & CATHERINE T. MACARTHUR FOUNDATION

THE MECHANICS BANK

BILL AND URSULA MOFFETT

RONALD AND MARY NAHAS

NEW URBAN WEST, INC.

DENNIS AND GLORIA O'BRIEN FOUNDATION

LAW OFFICES OF JOSEPH PATANE

SAVERI & SAVERI, INC.

ALAN L. AND RUTH STEIN

DON TERNER MEMORIAL FUND FOR PEOPLE IN NEED

UNION BANK OF CALIFORNIA

ERNESTO AND SOCORRO VASQUEZ

WACHOVIA

WASHINGTON MUTUAL

WEB SERVICE COMPANY

WELLS FARGO

WERMERS MULTI-FAMILY CORP.

WESTERN NATIONAL GROUP

For a full list of donors, please visit our website at www.bridgehousing.com.