

# 2008 Annual Report



ABOVE: ALAN STEIN, FOUNDING CHAIRMAN OF BRIDGE, HANDS THE GAVEL TO RICK HOLLIDAY

Dear Friends:

The past 18 months have been a time of significant change and transition for the country, our industry and, in many respects, BRIDGE Housing.

At our silver anniversary gala in June 2008, Alan Stein, the founding Chairman of BRIDGE, stepped down after 25 exceptional years to take on the new role of Chairman Emeritus. Then in early 2009, BRIDGE President Carol Galante was handpicked by the Obama Administration to become the Deputy Assistant Secretary for Multifamily Housing Programs at the U.S. Department of Housing and Urban Development. We will always be grateful to Carol for her steadfast commitment to improving lives and communities, and for the exceptional legacy she left with BRIDGE.

These transitions, combined with the fact that we are in the final year of our current business plan, make this an ideal time to pause and think through our strategic vision for the organization over the next five to seven years. Our organization's ability to thrive through change is a testament to the strength of BRIDGE and the commitment to excellence this company has cultivated.

In the midst of these transitions, it is instructive to reflect on the last quarter century and recognize that BRIDGE has done much more than develop and manage affordable homes. We have produced mixed-income communities, parks and wetlands, commercial and retail space, child care centers, police substations, even a library. We have created over 90,000 jobs and generated more than \$5 billion for local economies.

We could not have accomplished any of 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.

Lydia Tan  
Interim President and CEO

Richard Holliday  
Chairman of the Board

During one of the most uncertain periods in modern real estate development, BRIDGE held its own in 2008, with more than 2,700 homes and apartments either completed or in construction. In addition, we jump-started work on developments that represent a wide range of affordable opportunities:

- BRIDGE and its affiliate BUILD were awarded the rights to redevelop San Francisco Housing Authority's Potrero Terrace and Annex. The team plans to replace all of the existing 606 apartments and build an additional 600 to 800 rental and for-sale homes.
- In Los Angeles County, BRIDGE is developing an underutilized site on the north side of Gardena High School. Sage Park will include 128 affordable apartments targeted to Los Angeles Unified School District teachers and staff. Proposed community amenities include exhibit space for the famed Gardena High art collection and expanded community gardens.
- In coordination with a local nonprofit, BRIDGE will acquire Summerhouse, a partially complete, foreclosed-upon condominium project in Temecula. On its share of the site, BRIDGE plans to create 90 affordable apartments for families.
- BRIDGE's Alta Torre, when complete in 2010, will provide 56 high-quality, service-enriched homes for very low-income seniors in Palo Alto. Part of a larger site acquired by BUILD, Alta Torre is complemented by more than 100 for-sale townhomes at Altaire as well as the Taube-Koret Campus for Jewish Life, with senior living, recreational facilities and an intergenerational community and performing arts center.



LEFT TO RIGHT: SHEROLYN SAMSON, ALAN AND RUTH STEIN EDUCATIONAL ASSISTANCE PROGRAM ALUMNA; ALTA TORRE GROUNDBREAKING, PALO ALTO

CONSOLIDATED  
STATEMENT  
OF FINANCIAL  
POSITION

	2008	2007
<b>ASSETS</b>		
Cash and cash equivalents	\$ 70,454,000	70,973,000
Restricted cash and deposits	47,554,000	46,526,000
Accounts receivable - net	3,695,000	5,259,000
Notes receivable	34,274,000	36,799,000
Prepaid expenses, deposits and impounds	3,625,000	6,715,000
Property and equipment - net	931,206,000	832,325,000
Deferred costs - net	14,438,000	14,435,000
Land under lease and other investments	8,802,000	8,370,000
<b>Total assets</b>	<b>1,114,048,000</b>	<b>1,021,402,000</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	24,992,000	12,684,000
Notes and interest payable	680,341,000	625,189,000
Deferred revenues	30,645,000	31,981,000
Security and other deposits	4,481,000	4,176,000
<b>Total liabilities</b>	<b>740,459,000</b>	<b>674,030,000</b>
<b>Net assets:</b>		
<b>Unrestricted:</b>		
Controlling interests	65,783,000	68,182,000
Non-controlling interests	223,195,000	218,062,000
<b>Total unrestricted</b>	<b>288,978,000</b>	<b>286,244,000</b>
<b>Temporarily restricted:</b>	<b>82,951,000</b>	<b>59,378,000</b>
<b>Permanently restricted:</b>	<b>1,660,000</b>	<b>1,750,000</b>
<b>Total net assets</b>	<b>373,589,000</b>	<b>347,372,000</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,114,048,000</b>	<b>1,021,402,000</b>

\* 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

	2008	2007
<b>SUPPORT AND REVENUE:</b>		
Rental income – net of vacancies and concessions	\$ 76,247,000	\$ 66,013,000
Management revenue	4,127,000	3,806,000
Contributions	29,896,000	17,371,000
Interest income	4,389,000	5,497,000
Other	4,417,000	23,271,000
<b>Total support and revenue</b>	<b>119,076,000</b>	<b>115,958,000</b>
<b>EXPENSES:</b>		
Program services <sup>(1)</sup>	81,628,000	76,258,000
Supporting services	3,901,000	3,815,000
Fundraising	378,000	252,000
<b>Total expenses</b>	<b>85,907,000</b>	<b>80,325,000</b>
<b>Cash Operating Income</b>	<b>\$ 33,169,000</b>	<b>\$ 35,633,000</b>

<sup>(1)</sup> Expenses exclude \$26,088,000 and \$24,307,000 of non-cash Depreciation and Amortization Expense and \$6,575,000 and \$4,545,000 of non-cash Interest Expense on project related subordinate financing in 2008 and 2007 respectively.



LEFT TO RIGHT: WOODBURY WALK, IRVINE; THE GIZARD FAMILY, NEW BRIDGE RESIDENTS



BRIDGE  
DEVELOPMENTS

PROJECT NAME	PROJECT LOCATION	PROJECT TYPE	TOTAL HOMES & APARTMENTS	AFFORDABLE HOMES & APARTMENTS	PROJECT VALUE	BRIDGE	BUILD*	HomeBricks**
<b>104 BRIDGE DEVELOPMENTS COMPLETED/IN SERVICE 1983-2008</b>			<b>12,528</b>	<b>8,848</b>	<b>\$ 1,830,000,000</b>			
<b>IN CONSTRUCTION</b>								
4545 KENTFIELD ROAD	STOCKTON	FAMILY RENTAL	90	90	\$ 15,800,000	•		
ALTAIRE/ALTA TORRE (901 SAN ANTONIO)	PALO ALTO	SENIOR RENTAL/FAMILY OWNERSHIP	159	56	113,600,000	•	•	•
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		•	
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 II	FREMONT	FAMILY OWNERSHIP	168	25	99,400,000		•	
MISSION WALK	SAN FRANCISCO	FAMILY OWNERSHIP	131	131	63,500,000	•		•
MOSAICA 601	SAN FRANCISCO	FAMILY OWNERSHIP	21	21	5,600,000			•
ONE EAST JULIAN	SAN JOSE	FAMILY OWNERSHIP	8	8	2,500,000			•
TRESTLE GLEN AT EL CAMINO TRANSIT VILLAGE	COLMA	FAMILY RENTAL/OWNERSHIP	151	119	46,100,000	•		
ARMSTRONG PLACE SENIOR	SAN FRANCISCO	SENIOR RENTAL	116	116	41,200,000	•		
CHELSEA PARK	SAN FRANCISCO	FAMILY OWNERSHIP	5	5	1,145,000			•
<b>2008 IN CONSTRUCTION</b>			<b>1,946</b>	<b>963</b>	<b>\$ 653,845,000</b>			
<b>IN APPROVALS</b>								
474 NATOMA	SAN FRANCISCO	FAMILY OWNERSHIP	57	57	30,500,000	•		
COMM 22	SAN DIEGO	FAMILY/SENIOR/RENTAL/OWNERSHIP	252	197	105,000,000	•		•
DOLORES LIA	MILLBRAE	FAMILY OWNERSHIP	27	27	10,200,000	•		•
LINDEN LOFTS	OAKLAND	FAMILY OWNERSHIP	50	TBD	17,500,000	•		
MACARTHUR TRANSIT VILLAGE	OAKLAND	FAMILY RENTAL/OWNERSHIP	624	108	213,200,000	•	•	
POTRERO TERRACE/POTRERO ANNEX	SAN FRANCISCO	FAMILY/SENIOR/RENTAL/OWNERSHIP	1400	900	444,260,000	•	•	•
POTTERY COURT	LAKE ELSINORE	FAMILY RENTAL	90	90	24,000,000	•		
SAN LEANDRO CROSSINGS	SAN LEANDRO	FAMILY MIXED	300	100	115,000,000	•	•	
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	•		
WEST SACRAMENTO	SACRAMENTO	FAMILY RENTAL	70	70	26,800,000	•		
SAGE PARK	LOS ANGELES	FAMILY RENTAL	128	128	32,130,000	•		
BLOCK 11A TRANSBAY	SAN FRANCISCO	SPECIAL NEEDS RENTAL	120	120	36,000,000	•		
<b>2008 IN APPROVALS</b>			<b>3,352</b>	<b>2,031</b>	<b>\$ 1,142,440,000</b>			
<b>GRAND TOTAL TO DATE</b>			<b>17,826</b>	<b>11,842</b>	<b>\$3,626,285,000</b>			

\* 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.

## INVESTING IN SUSTAINABILITY



LEFT TO RIGHT: DISCUSSING BEST PRACTICES AT PICKLEWEED APARTMENTS IN MILL VALLEY; THE TSEHAI FAMILY, FIRST-TIME HOMEBUYERS ASSISTED BY HOMEBRICKS

There is no doubt that these challenging economic times are directly impacting the working families and seniors we serve. In 2008, in the spirit of BRIDGE's 25th anniversary, we went beyond celebrating our accomplishments. We demonstrated a steadfast commitment to advancing our mission, and we continue to create solutions and seek out opportunities, even in this unprecedented market.

Our anniversary year kicked off with a sold-out gala dinner in San Francisco, where former San Francisco Mayor Willie Brown described BRIDGE as "probably the most viable nonprofit organization in the state of California." During the gala, we unveiled our new virtual city, BRIDGEtown, along with 25 long-term initiatives that will challenge BRIDGE and our partners to continue building, leading and sustaining for the next 25 years.

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 2008:

DOUGLAS D. ABBEY

RICHARD AND CONNIE ADAMS

BARBARA AND GERSON BAKAR

BANK OF AMERICA

CITI FOUNDATION

S. H. COWELL FOUNDATION

DEIRDRE ENGLISH

THE FORD FOUNDATION

SCOTT AND JESSICA GERBER

EVELYN & WALTER HAAS, JR. FUND

MIMI AND PETER HAAS FUND

THE F.B. HERON FOUNDATION

RICK AND NANCY HOLLIDAY

BRADLEY INMAN

JOHN LAING HOMES

THE JOHN D. & CATHERINE T. MACARTHUR FOUNDATION

BILL AND URSULA MOFFETT

BETH MULLEN

RONALD AND MARY NAHAS

DENNIS AND GLORIA O'BRIEN FOUNDATION

THE CHARLES PANKOW FOUNDATION

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

WESTERN NATIONAL GROUP

To that end, we revisited a dozen BRIDGE properties throughout the state in the fall, bringing together the original development teams to discuss lessons learned and best practices to use going forward. And to address the policy-oriented solutions to our industry's challenges, we hosted two policy forums with the Urban Land Institute, the USC Lusk Center for Real Estate, and the UC Berkeley Fisher Center for Real Estate and Urban Economics.

Ultimately, the purpose of these efforts is to provide a stronger foundation for the people we serve, resulting in increased opportunities and healthier, more stable communities.

To learn more about BRIDGE's 25th anniversary activities, visit [www.bridgehousing.com/BRIDGE-at-25](http://www.bridgehousing.com/BRIDGE-at-25)

For a full list of donors, please visit our website at [www.bridgehousing.com](http://www.bridgehousing.com).

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