



ABOVE: ANN POLK, RESIDENT OF THE CARQUINEZ

Dear Friends:

This period in time has been one of the most challenging to date for the industry as well as the communities and families we serve. Amidst volatile capital and equity markets and severe economic pressures, BRIDGE has stayed the course and continued to deliver and operate quality homes for working families and seniors.

With determination and persistence, we sold out all of our affordable ownership opportunities at Mission Walk, as well as the homes at Armstrong Townhomes. We completed nearly 600 new apartments, which were successfully marketed and leased by BRIDGE Property Management Company. Despite many challenging markets, overall occupancy remained at record highs—an indication of the continued need for affordable housing.

Given the rapidly shifting landscape, including the elimination of redevelopment agencies, our senior leadership has spent a great deal of time thinking through new ways of doing business. We are examining our competitive advantage, scrubbing the development pipeline and taking a critical look at efficiency measures. These efforts are beginning to yield results, as we are finally breaking the log jam at several large, long lead-time developments, allowing us to move forward on these and other projects.

BRIDGE pledges to continue its commitment to innovation and quality affordable development. Given the high need for affordable homes and the positive impact we are making on communities and people's lives, BRIDGE plans to enhance our resident services, increase production and expand our reach into additional markets.

We hope you will join us as a partner and a friend.

Cynthia A. Parker
President & CEO

During an incredibly volatile period, BRIDGE has held its own thanks to a hardworking staff and Board, with 1,900 apartments slated for closing, construction and/or completion in the next 12 months. Recent highlights include:

- ▶ We heralded the 10th anniversary of the Alan and Ruth Stein Educational Assistance Program, which has awarded more than \$550,000 to BRIDGE residents, helping them to advance their educational and career goals.
- ▶ We celebrated numerous grand openings, including Trestle Glen, San Mateo County; The Coronet and Armstrong Senior Apartments, San Francisco; St. Joseph's Senior Apartments, Oakland; and Alta Torre, Palo Alto.
- ▶ We broke ground on a number of notable developments, including Foothill Farms Senior Apartments, our debut community in Sacramento County; Pottery Court, our first in Lake Elsinore; MacArthur Station, a mixed-use transit-oriented development in Oakland; and Rene Cazenave Apartments in San Francisco, a supportive housing property developed together with Community Housing Partnership.
- ▶ We welcomed EVP Kim McKay onboard to head our Southern California development activity. Under her leadership, BRIDGE's presence in the region is growing rapidly.
- ▶ We served more than 11,500 class participants of all ages through our resident programs.
- ▶ We sold all 255 affordable condominiums at Mission Walk and Armstrong Townhomes, both in San Francisco.
- ▶ Our Portfolio Management Team moved more than 1,000 units into various phases of rehabilitation/restructure.



LEFT TO RIGHT: ST. JOSEPH'S SENIOR GRAND OPENING, OAKLAND; 9TH AND BROADWAY, SAN DIEGO

PROJECT NAME	PROJECT LOCATION	PROJECT TYPE	TOTAL HOMES & APARTMENTS	AFFORDABLE HOMES & APARTMENTS	PROJECT VALUE	BRIDGE	BUILD*	HomeBricks**
BRIDGE DEVELOPMENTS COMPLETED/IN SERVICE			13,472	9,724	\$ 2,245,862,470			
IN CONSTRUCTION								
474 NATOMA	SAN FRANCISCO	FAMILY RENTAL	60	60	\$ 32,000,000			
CANDLESTICK COVE	SAN FRANCISCO	FAMILY OWNERSHIP	4	4	1,200,000			
CITRA	SUNNYVALE	FAMILY RENTAL	147	15	39,800,000			
THE CORONET (GEARY BLVD. SENIOR LIVING)	SAN FRANCISCO	SENIOR RENTAL	150	150	63,000,000			
FOOTHILL FARMS	SACRAMENTO	SENIOR RENTAL	138	138	27,800,000			
POTTERY COURT	LAKE ELSINORE	FAMILY RENTAL	113	113	26,000,000			
RENE CAZENAVE APARTMENTS	SAN FRANCISCO	SPECIAL NEEDS RENTAL	120	120	36,000,000			
ST. JOSEPH'S SENIOR	OAKLAND	SENIOR RENTAL	84	84	34,700,000			
SUMMERHOUSE PHASE 1	TEMECULA	FAMILY RENTAL	20	20	4,553,000			
TERAZZA PALMERA AT ST. JOSEPH'S	OAKLAND	FAMILY RENTAL	62	62	30,650,000			
WOODS GROVE	PITTSBURG	FAMILY RENTAL	80	80	19,150,000			
2010-2011 IN CONSTRUCTION			1,146	871	\$ 414,253,000			
IN APPROVALS								
460 GRAND AVENUE	OAKLAND	FAMILY RENTAL	74	74	30,000,000			
9TH AND BROADWAY	SAN DIEGO	SPECIAL NEEDS RENTAL	250	250	72,000,000			
CENTRAL STATION PHASE II/16TH ST. TRAIN STN	OAKLAND	FAMILY RENTAL/LAND DEVELOPMENT	1170	324	TBD			
COMM 22	SAN DIEGO	FAMILY/SENIOR/RENTAL/OWNERSHIP	252	197	101,000,000			
HERITAGE SQUARE SENIOR APARTMENTS	PASADENA	SENIOR RENTAL	70	70	23,340,000			
IVY AT COLLEGE PARK	CHINO	FAMILY RENTAL	135	135	32,024,161			
LA QUINTA	LA QUINTA	FAMILY RENTAL	86	86	19,000,000			
LAUREL CREEK	SAN DIEGO	FAMILY RENTAL	94	94	27,500,000			
LA CIENEGA SENIOR APARTMENTS	CULVER CITY	SENIOR RENTAL	65	65	19,500,000			
LINDEN LOFTS	OAKLAND	FAMILY OWNERSHIP	50	TBD	17,500,000			
MACARTHUR TRANSIT VILLAGE	OAKLAND	FAMILY RENTAL/OWNERSHIP	624	108	213,200,000			
NAPA CREEKSIDE	NAPA	FAMILY RENTAL	57	57	16,149,946			
POTRERO TERRACE/POTRERO ANNEX	SAN FRANCISCO	FAMILY/SENIOR/RENTAL/OWNERSHIP	1400	900	444,260,000			
SAGE PARK	LOS ANGELES	FAMILY RENTAL	90	90	27,000,000			
SAN LEANDRO CROSSINGS	SAN LEANDRO	FAMILY RENTAL/OWNERSHIP	200	0	TBD			
SUMMERHOUSE PHASE 2	TEMECULA	FAMILY RENTAL	60	60	16,484,000			
WEST SACRAMENTO	WEST SACRAMENTO	FAMILY RENTAL	70	70	26,600,000			
WESTVIEW VILLAGE	VENTURA	FAMILY RENTAL	80	80	24,000,000			
IN APPROVALS			6,630	4,188	\$ 1,730,111,107			
GRAND TOTAL TO DATE			21,248	14,783	\$ 4,390,226,577			

* 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

		2011	2010
ASSETS	Cash and cash equivalents	\$ 80,313,000	\$ 75,213,000
	Restricted cash and deposits	44,472,000	36,212,000
	Accounts receivable - net	2,592,000	2,831,000
	Notes receivable	31,173,000	32,578,000
	Prepaid expenses, deposits and impounds	3,716,000	3,621,000
	Property and equipment - net	1,014,744,000	1,004,931,000
	Deferred costs - net	13,193,000	13,627,000
	Land under lease and other investments	6,138,000	6,738,000
	Total assets	1,196,341,000	1,175,751,000
LIABILITIES AND NET ASSETS	Liabilities:		
	Accounts payable and accrued expenses	15,211,000	17,973,000
	Notes and interest payable	785,939,000	793,778,000
	Deferred revenues	38,118,000	24,390,000
	Security and other deposits	6,819,000	4,334,000
	Total liabilities	846,087,000	840,475,000
	Net Assets:		
	Unrestricted:		
	Controlling interests	80,660,000	79,146,000
	Non-controlling interests	219,438,000	200,238,000
	Total unrestricted	300,098,000	279,384,000
	Temporarily restricted:	48,496,000	54,232,000
	Permanently restricted:	1,660,000	1,660,000
	Total net assets	350,254,000	335,276,000
	Total liabilities and net assets	\$ 1,196,341,000	\$ 1,175,751,000

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

		2011	2010
SUPPORT AND REVENUE	Rental income - net of vacancies and concessions	\$ 85,963,000	\$ 82,363,000
	Management revenue	4,159,000	6,736,000
	Contributions	13,485,000	13,008,000
	Interest income	2,581,000	2,132,000
	Revenue from townhome sales	18,660,000	39,449,000
	Other	3,982,000	1,613,000
	Total support and revenue	128,830,000	145,301,000
EXPENSES	Program services ⁽¹⁾	123,256,000	150,626,000
	Supporting services	4,820,000	5,234,000
	Fundraising	216,000	233,000
	Total expenses	128,292,000	156,093,000
	Cash Operating Income	\$ 538,000	\$ (10,792,000)

⁽¹⁾ Expenses exclude \$32,273,000 and \$30,489,000 of non-cash Depreciation and Amortization Expense and \$5,518,000 and \$5,601,000 of non-cash Interest Expense on project related subordinate financing in 2011 and 2010 respectively.



LEFT TO RIGHT: ARMSTRONG SENIOR APARTMENTS, SAN FRANCISCO; TRESTLE GLEN GRAND OPENING, SAN MATEO COUNTY



ABOVE: EVP KIMBERLY MCKAY (FAR LEFT) LEADS BRIDGE'S SOUTHERN CALIFORNIA TEAM AT THE POTTERY COURT GROUNDBREAKING, LAKE ELSINORE.

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:

RICHARD AND CONNIE ADAMS
BANK OF AMERICA
WILLIAM & GERALDINE BRINTON
CAHILL CONTRACTORS
CITI FOUNDATION
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LEFT TO RIGHT: ARFAT ADIL AND TISHIRA METCALF, ALAN AND RUTH STEIN EDUCATIONAL ASSISTANCE PROGRAM RECIPIENTS.

As families and seniors across California continue to struggle to make ends meet, the significance of having the stability of a home becomes ever more acute. For nearly 30 years, BRIDGE Housing has been developing and managing high quality affordable housing across California, but equally important are our on-site programs and services, which help residents pursue their educational goals and advance toward greater economic security and health. In 2011, we were proud to provide nearly 300 different programs to over 11,500 class participants—these programs range from children’s homework clubs to English as a Second Language for adults and wellness classes for seniors.

Cottonwood Creek resident Miranda Cariaga, for example, recently received a Stein Educational Assistance Award from BRIDGE. The scholarship

gave her the boost she needed to complete community college courses, paving the way for her pursuit of a nursing degree from Cal State East Bay.

“With your assistance, I have reached my goal of getting into a nursing program,” she states. “I will be helping others for the rest of my career.”

This is one of many stories we hear from hard-working residents who, like Miranda, make the most of their opportunity of living in a BRIDGE home. To continue providing these critical services, we look for support from the friends in our community who, through their generous spirit, share the values of BRIDGE. Working together, we are doing so much more than building homes—we are truly building new futures. Thank you for your continued partnership.