

# ANNUAL REPORT 2013–2014



474 NATOMA, SAN FRANCISCO;  
SANTA ALICIA APARTMENTS, IRVINE

## 2013–2014 Highlights

Over the past 18 months, BRIDGE has made significant progress toward the overarching goal set out in our five-year Strategic Plan: advance our mission while sustaining and growing the business. Among the highlights:

### Construction Activity, Robust Pipeline

BRIDGE has 1,880 apartments in or about to start construction and 5,000 in our pipeline—once again a high-water mark for the company.

### Serving Residents Well Beyond Housing

Our resident programs for seniors, adults and youth were accessed more than 40,000 times in 2013. We are on a trajectory to expand these services for greater community impact with measurable outcomes.

### Extending Our Footprint

New construction and the strategic acquisitions of properties in Washington and Oregon demonstrate BRIDGE's commitment to helping markets meet the need for high-quality affordable housing.

### Sound Stewardship

BRIDGE property- and asset-manages more than 9,000 apartments. From initial lease-up to ongoing maintenance, compliance and rehab of hundreds of apartments in older buildings, BRIDGE cares for the long-term financial and physical health of the portfolio.

## Dear Friends:

The past 18 months have been a wild ride in the world of community and affordable housing development, particularly on the west coast, where unemployment has dipped, but rents are climbing skyward.

Despite the challenges tied to limited public resources, BRIDGE continues to advance development through the pipeline. Thanks to the stellar efforts of staff and Board, the company currently has more units in construction or ready to begin construction than at almost any point in our history.

Creating housing is only one aspect of our story. Our work literally changes the lives of the families and seniors we serve. Time after time, we hear that the combination of well-managed homes plus resident and community services brings people new opportunities and new hope.

As actor and advocate Edward Norton said during his keynote at BRIDGE's 30th Anniversary Gala in 2013, "It is very difficult to address our most intractable social instabilities if you don't address the basal instability... people's need for a fit and affordable home." When we talk about housing, he said, "we're talking about empowering people's capacity to thrive and move out of poverty.... To me, the holistic reach of housing is really knitted up across the whole quilt of social services, human health, educational efficacy and even ecological sustainability."

Since 1983, we have been building, sustaining and leading. Looking ahead, we want to do even more. We must anticipate every challenge and seize new opportunities to create new housing to help change lives.

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

Cynthia A. Parker  
President & CEO



CHAIRMAN RICK HOLLIDAY AND EDWARD NORTON;  
GRAND OPENING OF RENE CAZENAVE APARTMENTS  
SUPPORTIVE HOUSING IN SAN FRANCISCO



#5

RANKING  
DEVELOPER  
NATIONWIDE

by Affordable Housing  
Finance Magazine  
(#1 among nonprofits)

7.7 MILLION

SQUARE FEET IN CONSTRUCTION & PIPELINE

93%

INCREASE IN USE  
OF RESIDENT  
PROGRAMS  
IN 2013 (OVER 2012)

5,000

UNITS IN PIPELINE  
WITH SITE CONTROL

9 OUT  
OF 10

PARTICIPANTS WOULD  
RECOMMEND OUR  
RESIDENT PROGRAMS  
TO THEIR NEIGHBORS



BRIDGE'S LARGE-SCALE REVITALIZATION EFFORTS, SUCH AS REBUILD POTRERO (ABOVE) AND JORDAN DOWNS, RENEW AGING PUBLIC HOUSING AND ADD GREEN SPACE, A MIX OF USES AND ADDITIONAL HOMES

# BRIDGE DEVELOPMENTS

PROJECT NAME	PROJECT LOCATION	PROJECT TYPE	TOTAL HOMES & APARTMENTS	AFFORDABLE HOMES & APARTMENTS	PROJECT VALUE
<b>ACQUISITIONS</b>					
TRESSA	SEATTLE, WA	FAMILY RENTAL	474	474	\$ 52,000,000
WOODLAND PARK APARTMENTS	HILLSBORO, OR	FAMILY/SENIOR/DISABLED RENTAL	111	111	8,160,000
<b>ACQUISITIONS</b>			<b>585</b>	<b>585</b>	<b>60,160,000</b>
<b>IN CONSTRUCTION</b>					
AVEVISTA	OAKLAND, CA	FAMILY RENTAL	68	68	31,100,000
CELADON AT 9TH AND BROADWAY	SAN DIEGO, CA	FAMILY/SENIOR/SPECIAL NEEDS	250	250	74,300,000
COMM22 FAMILY	SAN DIEGO, CA	FAMILY RENTAL	130	130	56,055,000
COMM22 SENIOR	SAN DIEGO, CA	SENIOR RENTAL	70	70	28,300,000
IVY AT COLLEGE PARK	CHINO, CA	FAMILY RENTAL	135	135	33,024,000
MADERA VISTA PHASE II	TEMECULA, CA	FAMILY RENTAL	60	60	28,292,000
MURAL	OAKLAND, CA	FAMILY RENTAL	90	90	41,000,000
SAGE PARK	LOS ANGELES, CA	FAMILY RENTAL	90	90	30,171,000
THE RIVERMARK	WEST SACRAMENTO, CA	FAMILY RENTAL	70	70	28,041,000
WASHINGTON PLAZA	SACRAMENTO, CA	SENIOR RENTAL	76	76	23,000,000
<b>IN CONSTRUCTION</b>			<b>1,039</b>	<b>1,039</b>	<b>\$ 373,283,000</b>
<b>IN APPROVALS</b>					
25 SANCHEZ	SAN FRANCISCO, CA	SENIOR/DISABLED RENTAL	90	90	RAD
255 WOODSIDE	SAN FRANCISCO, CA	SENIOR/DISABLED RENTAL	110	110	RAD
3850 18TH ST	SAN FRANCISCO, CA	SENIOR/DISABLED RENTAL	107	107	RAD
462 DUBOCE	SAN FRANCISCO, CA	SENIOR/DISABLED RENTAL	42	42	RAD
ABIGAIL (NORTH PEARL)	PORTLAND, OR	FAMILY RENTAL	141	123	46,300,000
ALEMANY	SAN FRANCISCO, CA	FAMILY RENTAL	158	158	RAD
CENTRAL STATION PHASE II / 16TH ST TRAIN STN	OAKLAND, CA	FAMILY RENTAL/LAND DEVELOPMENT	1170	324	TBD
COMM22 FUTURE PHASES	SAN DIEGO, CA	RENTAL/OWNERSHIP	52	TBD	TBD
CORNERSTONE	SAN LEANDRO, CA	FAMILY RENTAL	115	115	49,500,000
ELEMENT 78	PORTLAND, OR	FAMILY RENTAL	157	80	63,000,000
HERITAGE SQUARE SENIOR	PASADENA, CA	SENIOR RENTAL	70	70	24,800,000
HOLLY COURTS	SAN FRANCISCO, CA	FAMILY RENTAL	118	118	RAD
IVY AT COLLEGE PARK PHASE II	CHINO, CA	FAMILY RENTAL	197	197	38,867,000
JORDAN DOWNS	LOS ANGELES, CA	MASTERPLAN	1350	1100	TBD
MACARTHUR STATION	OAKLAND, CA	FAMILY RENTAL/OWNERSHIP	534	18	213,200,000
MARINWOOD	SAN RAFAEL, CA	FAMILY RENTAL	72	72	27,735,000
MISSION DOLORES	SAN FRANCISCO, CA	SENIOR/DISABLED RENTAL	92	92	RAD
NAPA CREEKSIDE	NAPA, CA	FAMILY RENTAL	62	62	16,960,000
POTRERO TERRACE / POTRERO ANNEX	SAN FRANCISCO, CA	FAMILY/SENIOR RENTAL/OWNERSHIP	1600	900	562,239,000
SIERRA VISTA	SACRAMENTO, CA	SENIOR RENTAL	78	78	23,000,000
SITKA	PORTLAND, OR	FAMILY RENTAL	209	209	TBD
SUTTERVIEW	SACRAMENTO, CA	SENIOR RENTAL	77	77	23,000,000
TRANSBAY 9	SAN FRANCISCO, CA	FAMILY RENTAL	109	109	49,000,000
VINCENT ACADEMY	OAKLAND, CA	CHARTER SCHOOL	0	0	9,925,000
WESTVIEW VILLAGE	VENTURA, CA	FAMILY RENTAL	120	120	29,774,000
<b>IN APPROVALS</b>			<b>6,830</b>	<b>4,371</b>	<b>\$ 1,177,300,000</b>
<b>1983—2013 TOTAL</b>			<b>14,618</b>	<b>10,595</b>	<b>\$ 2,659,247,470</b>
<b>GRAND TOTAL TO DATE</b>			<b>23,072</b>	<b>16,590</b>	<b>\$ 4,269,990,470</b>

CONSOLIDATED  
FINANCIAL STATEMENT

POSITION		2013		2012	
ASSETS	Cash and cash equivalents	\$	72,886,000	\$	77,200,000
	Restricted cash and deposits		52,421,000		49,446,000
	Accounts receivable - net		6,760,000		2,187,000
	Notes receivable		4,543,000		5,022,000
	Prepaid expenses, deposits and impounds		4,966,000		3,362,000
	Property and equipment - net		1,188,463,000		1,067,243,000
	Deferred costs - net		12,736,000		13,303,000
	Land under lease and other investments		5,152,000		5,308,000
	Total assets		1,347,927,000		1,223,071,000
LIABILITIES AND NET ASSETS		Liabilities:			
	Accounts payable and accrued expenses		44,345,000		24,486,000
	Notes and interest payable		888,724,000		820,426,000
	Deferred revenues		74,054,000		37,329,000
	Security and other deposits		4,499,000		4,180,000
	Total liabilities		1,011,622,000		886,421,000
	Net Assets:				
	Unrestricted:				
	Controlling interests		69,300,000		69,898,000
	Non-controlling interests		218,951,000		217,953,000
	Total unrestricted		288,251,000		287,851,000
	Temporarily restricted:		46,394,000		47,139,000
	Permanently restricted:		1,660,000		1,660,000
	Total net assets		336,305,000		336,650,000
	Total liabilities and net assets	\$	1,347,927,000	\$	1,223,071,000
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.					
ACTIVITIES		2013		2012	
SUPPORT AND REVENUE	Rental income - net of vacancies and concessions	\$	92,161,000	\$	88,796,000
	Management revenue		3,738,000		3,046,000
	Contributions		5,975,000		5,400,000
	Interest income		1,654,000		922,000
	Other <sup>(1)</sup>		8,031,000		6,709,000
	Total support and revenue		111,559,000		104,873,000
EXPENSES	Program services <sup>(2)(3)</sup>		87,193,000		90,283,000
	Supporting services		7,437,000		6,921,000
	Fundraising		862,000		247,000
	Total expenses		95,492,000		97,451,000
	Cash Operating Income	\$	16,067,000	\$	7,422,000

<sup>(1)</sup> 2012 Revenue excludes a one time, non-cash acceleration of \$22,235,000 of deferred revenue. This item is explained in detail in our audited financial statements.

<sup>(2)</sup> Expenses exclude \$34,417,000 and \$32,971,000 of non-cash Depreciation and Amortization Expense and \$8,645,000 and \$6,640,000 of non-cash Interest Expense on project related subordinate financing in 2013 and 2012 respectively.

<sup>(3)</sup> 2012 Expenses excludes a one time, non-cash exchange of a \$26,049,000 Note. This item is explained in detail in our audited financial statements.



## FINANCIAL PARTNERS AND DONORS

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:

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



CELADON AT 9TH & BROADWAY, SAN DIEGO; TERRAZA PALMERA AT  
ST. JOSEPH'S, OAKLAND; 7.7 MILLION SQUARE FEET IN BRIDGE'S PIPELINE

## BRIDGE HOUSING LEADERSHIP

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## BUILDING A BRIGHT FUTURE: KAREN'S STORY

Since 1983, BRIDGE has been developing and managing high-quality affordable housing, but equally important are our on-site resident programs and services, which help residents gain stability and advance toward greater economic security and wellness.

Karen Monterroso, a resident of Belvedere Place, is living proof that this is an effective combination. Her parents came to the U.S. from Guatemala to seek a brighter future for their family. Her father, Paulino, works as a restaurant manager and Berenice, her mother, is a housekeeper. Belvedere Place is located in Marin County, where sky-high rents make it challenging for working families to live near their jobs.

Before BRIDGE acquired and rehabilitated the property in 2003, the building was in rough shape. "The windows didn't close," says Paulino. "There was no

insulation, and the stove and fridge were not working." In addition to physically renewing the building, BRIDGE as owner and manager connected residents to services and even a unique scholarship opportunity: the Alan and Ruth Stein Educational Assistance Program.

Karen competed for and received a Stein scholarship, which helped her become the first in her family to attend university. In the fall of 2013, Karen entered San Francisco State University, where she is pursuing her dream to become a nurse. Her little sister and brother admire her greatly, and she is proud to be an academic role model for them.

Karen is thankful for many things: her hardworking parents, the scholarship that paved the way to college, and a well-managed apartment that the family can afford. As Karen puts it, "There is no place like home."



RESIDENT KAREN MONTERROSO, THE FIRST IN HER FAMILY TO ATTEND UNIVERSITY, IS A ROLE MODEL FOR HER SIBLINGS