

2014/ ANNUAL  
2015 REPORT

# BUILDING BRIGHTER FUTURES



CELADON AT 9TH & BROADWAY, SAN DIEGO  
WASHINGTON PLAZA, SACRAMENTO

Our five-year Strategic Plan set us on ambitious course to advance our mission while sustaining and growing the business. In 2014, BRIDGE made major strides toward achieving plan objectives. Among the highlights:

## Placemaking, Starting with Housing

BRIDGE completed or acquired 1,209 apartments, with 6,703 additional homes in our pipeline. The range of our properties is diverse—from affordable multifamily and supportive housing to mixed-income, mixed-use developments that benefit entire neighborhoods.

## New Geographies

Strategic acquisitions and new construction in the Pacific Northwest demonstrated BRIDGE's commitment to helping markets meet the need for high-quality affordable housing, and to bringing value to partners in places where our core values are well-aligned.

## The People We Serve

Our educational, health and financial programs for seniors, adults and youth were accessed nearly 60,000 times in 2014. BRIDGE's groundbreaking model for strengthening high-poverty, complex communities drew national recognition.

## Quality Assurance

BRIDGE asset- and/or property-manages more than 9,000 apartments. From initial lease-up to ongoing maintenance, compliance and rehab of older buildings, BRIDGE is a careful steward of the long-term financial and physical health of the portfolio.



Dear Friends:

Throughout 2014, market-rate rents skyrocketed in BRIDGE locations, with Oakland, San Jose, Sacramento, San Francisco and Seattle posting growth among the top 10 nationwide. While employment figures rose, incomes remained flat for households on the lower rungs of the economic ladder, driving demand for affordable housing through the roof.

In this context, BRIDGE's implementation of its five-year Strategic Plan in 2013 was fortuitously timed and has helped guide a path to growth. With the dedication of our staff and Board, BRIDGE has been focusing on strategic outcomes such as pipeline development and cost management. In 2014, the company ranked #5 nationally and was the only nonprofit to appear in the top 10 of Affordable Housing Finance's Top 50 Developers.

While we are proud of our bricks-and-mortar buildings, we know that at the end of the day, our impact on people's lives is what counts. The average BRIDGE resident earns a \$31,852 a year. Nine out of 10 residents earn 50% or less of Area Median Income. At every ribbon-cutting celebration, we hear that the combination of well-managed homes plus resident and community services brings people new opportunities and new hope.

For Lolly Gilbert, a certified nursing assistant who lost her husband to cancer, moving into BRIDGE's 474 Natoma was an answer to her prayers. "I kept hoping for a place of my own, where I could enjoy some quiet and privacy," she said. "When I went through the door of my new apartment for the first time, I cried and cried, but they were tears of joy."

For more than 30 years, we have been building, sustaining and leading. It is in our DNA to press for innovative, cross-sector solutions to some of the toughest challenges faced by people and communities, and we look forward to the work ahead.

Thank you for your friendship and partnership.

Cynthia A. Parker  
President & CEO



COMM22, SAN DIEGO  
VINCENT ACADEMY, OAKLAND



# No.1

RANKED NONPROFIT  
DEVELOPER  
NATIONWIDE

BY AFFORDABLE HOUSING FINANCE

# 5.9

MILLION  
SQUARE  
FEET

IN PIPELINE & CONSTRUCTION

# \$157,129

IN

STEIN SCHOLARSHIPS  
AWARDED TO 31 RESIDENTS



# 143'

SOLAR  
ARRAY

# A+

CREDIT  
RATING  
BY S&P

PROGRAMS  
SERVED  
22,000  
PEOPLE  
— IN 65 —  
COMMUNITIES

# TALLEST

— IN THE —  
UNITED STATES

INSTALLED AT  
CELADON

# BRIDGE DEVELOPMENTS

| PROJECT NAME                                 | PROJECT LOCATION  | PROJECT TYPE                   | TOTAL HOMES & APARTMENTS | AFFORDABLE HOMES & APARTMENTS | DEVELOPMENT COST |
|--|-------------------|--------------------------------|--------------------------|-------------------------------|------------------|
| ACQUISITIONS                                 |                   |                                |                          |                               |                  |
| SITKA  | PORTLAND, OR      | FAMILY RENTAL                  | 209                      | 209                           | \$ N/A           |
| ACQUISITIONS                                 |                   |                                | 209                      | 209                           |                  |
| IN CONSTRUCTION                              |                   |                                |                          |                               |                  |
| ABIGAIL (NORTH PEARL)                        | PORTLAND, OR      | FAMILY RENTAL                  | 155                      | 128                           | 46,300,000       |
| AVEVISTA                                     | OAKLAND, CA       | FAMILY RENTAL                  | 68                       | 68                            | 31,100,000       |
| HERITAGE SQUARE SENIOR                       | PASADENA, CA      | SENIOR RENTAL                  | 70                       | 70                            | 24,800,000       |
| MAREA ALTA                                   | SAN LEANDRO, CA   | FAMILY RENTAL                  | 115                      | 115                           | 49,500,000       |
| MURAL  | OAKLAND, CA       | FAMILY RENTAL                  | 90                       | 90                            | 41,000,000       |
| SIERRA VISTA                                 | SACRAMENTO, CA    | SENIOR RENTAL                  | 78                       | 78                            | 23,000,000       |
| SUTTERVIEW                                   | SACRAMENTO, CA    | SENIOR RENTAL                  | 77                       | 77                            | 23,000,000       |
| VINCENT ACADEMY                              | OAKLAND, CA       | CHARTER SCHOOL                 | 0                        | 0                             | 9,925,000        |
| IN CONSTRUCTION                              |                   |                                | 653                      | 626                           | \$ 248,625,000   |
| IN APPROVALS                                 |                   |                                |                          |                               |                  |
| 25 SANCHEZ                                   | SAN FRANCISCO, CA | SENIOR/DISABLED RENTAL         | 90                       | 90                            | 20,378,000       |
| 255 WOODSIDE                                 | SAN FRANCISCO, CA | SENIOR/DISABLED RENTAL         | 110                      | 110                           | 24,105,000       |
| 3850 18TH ST                                 | SAN FRANCISCO, CA | SENIOR/DISABLED RENTAL         | 107                      | 107                           | RAD              |
| 462 DUBOCE                                   | SAN FRANCISCO, CA | SENIOR/DISABLED RENTAL         | 42                       | 42                            | 16,816,000       |
| 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              |
| ELEMENT 78                                   | PORTLAND, OR      | FAMILY RENTAL                  | TBD                      | TBD                           | TBD              |
| HOLLY COURTS                                 | SAN FRANCISCO, CA | FAMILY RENTAL                  | 118                      | 118                           | 36,004,000       |
| IVY AT COLLEGE PARK PHASE II                 | CHINO, CA         | FAMILY RENTAL                  | 200                      | 200                           | 39,720,000       |
| JORDAN DOWNS                                 | WATTS, CA         | MASTERPLAN                     | 1350                     | 1100                          | TBD              |
| MACARTHUR PARCEL A                           | OAKLAND, CA       | FAMILY RENTAL                  | 286                      | 8                             | 100,458,000      |
| MACARTHUR PARCEL C1                          | OAKLAND, CA       | FAMILY RENTAL                  | TBD                      | TBD                           | TBD              |
| MADERA VISTA PHASE III                       | TEMECULA, CA      | FAMILY RENTAL                  | 30                       | 30                            | 7,120,000        |
| MISSION DOLORES                              | SAN FRANCISCO, CA | SENIOR/DISABLED RENTAL         | 92                       | 92                            | RAD              |
| NAPA CREEKSIDE                               | NAPA, CA          | FAMILY RENTAL                  | 36                       | 36                            | 20,117,000       |
| OCEANVIEW                                    | PACIFICA, CA      | SENIOR RENTAL                  | 100                      | 100                           | 35,203,000       |
| POTRERO                                      | SAN FRANCISCO, CA | MASTERPLAN                     | 1600                     | 816                           | 600,000,000      |
| SAN LEANDRO SENIOR                           | SAN LEANDRO, CA   | SENIOR RENTAL                  | 85                       | 85                            | 28,321,000       |
| TRANSBAY 9                                   | SAN FRANCISCO, CA | FAMILY RENTAL                  | 109                      | 109                           | 83,000,000       |
| WESTVIEW VILLAGE                             | VENTURA, CA       | FAMILY RENTAL                  | 130                      | 130                           | 33,242,000       |
| WOODLAND PARK                                | HILLSBORO, OR     | SENIOR/FAMILY RENTAL           | 111                      | 111                           | 15,830,000       |
| IN APPROVALS                                 |                   |                                | 5,965                    | 3,766                         | \$ 1,060,314,000 |
| 1983—2014 TOTAL                              |                   |                                | 16,084                   | 12,061                        | \$ 3,020,590,470 |
| GRAND TOTAL TO DATE                          |                   |                                | 22,911                   | 16,662                        | \$ 4,329,529,470 |

CONSOLIDATED  
FINANCIAL STATEMENT

| POSITION                   |   | 2014             | 2013             |
|----------------------------|---|------------------|------------------|
| ASSETS                     | Cash and cash equivalents               | \$ 68,789,000    | \$ 72,886,000    |
|                            | Restricted cash and deposits            | 52,062,000       | 51,260,000       |
|                            | Accounts receivable - net               | 3,585,000        | 6,760,000        |
|                            | Notes receivable                        | 16,334,000       | 4,543,000        |
|                            | Prepaid expenses, deposits and impounds | 21,837,000       | 6,128,000        |
|                            | Property and equipment - net            | 1,424,583,000    | 1,180,267,000    |
|                            | Deferred costs - net                    | 15,697,000       | 12,736,000       |
|                            | Land under lease and other investments  | 8,967,000        | 5,152,000        |
|                            | Total assets                            | 1,611,854,000    | 1,339,732,000    |
| LIABILITIES AND NET ASSETS |   |                  |                  |
| Liabilities:               |   |                  |                  |
|                            | Accounts payable and accrued expenses   | 52,323,000       | 44,344,000       |
|                            | Notes and interest payable              | 1,099,542,000    | 888,725,000      |
|                            | Deferred revenues                       | 33,449,000       | 51,010,000       |
|                            | Security and other deposits             | 4,421,000        | 4,499,000        |
|                            | Total liabilities                       | 1,189,735,000    | 988,578,000      |
| Net Assets:                |   |                  |                  |
| Unrestricted:              |   |                  |                  |
|                            | Controlling interests                   | 152,035,000      | 127,100,000      |
|                            | Non-controlling interests               | 265,266,000      | 218,951,000      |
|                            | Total unrestricted                      | 417,301,000      | 346,051,000      |
|                            | Temporarily restricted:                 | 3,158,000        | 3,443,000        |
|                            | Permanently restricted:                 | 1,660,000        | 1,660,000        |
|                            | Total net assets                        | 422,119,000      | 351,154,000      |
|                            | Total liabilities and net assets        | \$ 1,611,854,000 | \$ 1,339,732,000 |

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          |  | 2014           | 2013          |
|---------------------|--|----------------|---------------|
| SUPPORT AND REVENUE | Rental income - net of vacancies and concessions | \$ 103,113,000 | \$ 92,161,000 |
|                     | Developer fees                                   | 12,006,000     | 11,574,000    |
|                     | Management revenue                               | 3,628,000      | 4,794,000     |
|                     | Contributions                                    | 41,296,000     | 5,975,000     |
|                     | Interest income                                  | 909,000        | 1,654,000     |
|                     | Other  | 5,865,000      | 4,080,000     |
|                     | Total support and revenue                        | 166,817,000    | 120,238,000   |
| EXPENSES            | Program services <sup>(1)</sup>                  | 122,405,000    | 89,166,000    |
|                     | Supporting services                              | 8,745,000      | 7,835,000     |
|                     | Fundraising                                      | 545,000        | 862,000       |
|                     | Total expenses                                   | 131,695,000    | 97,863,000    |
|                     | Cash Operating Income                            | \$ 35,122,000  | \$ 22,375,000 |

<sup>(1)</sup> Expenses exclude \$39,974,000 and \$34,417,000 of non-cash Depreciation and Amortization Expense and \$9,255,000 and \$8,645,000 of non-cash Interest Expense on project related subordinate financing in 2014 and 2013 respectively.



## 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).

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SAN DIEGO; THE ABIGAIL, PORTLAND



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# A HEALTHIER HOME : JESSICA'S STORY


BRIDGE's vision is to strengthen communities and create opportunities for people, starting—but not ending—with housing. This vision recently became a reality for Jessica R., who moved into Paseo at COMM22, a new development in San Diego.

Jessica works full time at a restaurant, and she is taking business and computer classes at a community college. She and her two young daughters had previously lived in a substandard apartment that put their well-being at risk.

"The landlord didn't take good care of the place," she said. "It leaked when it rained. The carpets and walls would get moldy. Everything smelled bad, and it wasn't a healthy place for my daughters."

She searched and searched for a new home, but after many disappointments, had no answer for her daughters' simple question, "Why didn't we get it, mama?"

When Jessica learned that she would be able to move into a new apartment at Paseo, she thought it was a dream come true.

A photograph of Jessica R. speaking at a podium. She is a woman with long dark hair, wearing a dark blazer over a blue top with a colorful necklace. A name tag on the podium identifies her as Jessica Rodriguez, President of COMM22. The background is a blurred indoor setting.

*"My daughters were jumping up and down with excitement, and I could feel the happiness in their hearts. Living here makes such a difference to our lives, every day."*

— Jessica R.