



## Annual Continuing Disclosure Investor Call May 2021

**\$100,000,000 Taxable Series 2020 (Sustainability Bonds)**

## Cautionary Statement Regarding Forward-Looking Statements

Welcome to today's BRIDGE Housing Corporation ("BRIDGE") investor call. The material being reviewed with you today can be found on our website of <https://bridgehousing.com/investor-information/>

Certain statements included, incorporated by reference or verbally discussed, constitute projections or estimates of future events, generally known as forward-looking statements. These statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. These forward-looking statements include, but are not limited to, the information contained within this presentation and the financial statements being referenced as part of this presentation. By providing this information, BRIDGE is not committing to providing some or all such information in future investor communications.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. BRIDGE and its affiliates do not plan to issue any updates or revisions to those forward-looking statements if or when changes in its expectation, or events, conditions or circumstances on which such statements are based occur.

## Presenters

**Susan Johnson**  
*Interim President &  
Chief Executive Officer*



**Delphine Sherman**  
*Executive Vice President &  
Chief Financial Officer*



## Key 2020 Performance and Organizational Achievements (or Changes)



- Progress Toward Five-Year Strategic Plan Goals as of 12/31/20
  - ✓ Production: 3,049 units (34%) of 9,000-unit goal completed/under way
  - ✓ Project Capital: \$1.5 billion (40%) of \$3.8B goal raised
  - ✓ Fund Development: \$14.2 million (40%) of \$35 million goal raised in cash and pledges
- Secured and received forgiveness of \$5.7 million Paycheck Protection Program loan
- Completed all property, corporate and consolidated audits with no material weaknesses or findings
- Reaffirmed A+ credit rating from S&P
- Continued construction activity at ~90% despite COVID-19
- Maintained essential services at properties, e.g. janitorial, emergency work orders, rent collection, annual income recertifications
- Recorded no COVID-related operating deficits at any properties
- Celebrated nine project milestones (e.g. groundbreakings)



# BRIDGE Housing's Sustainability Overview

*“Sustainalytics is confident that BRIDGE Housing is well-positioned to issue sustainability bonds and that that BRIDGE Housing Sustainability Bonds Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020)”*

- Sustainalytics Third Party Sustainability Rating Organization

- Sustainalytics is of the opinion that BRIDGE's Bonds adhere to the following UN Sustainable Development Goals:
  - Goal 1: No Poverty – End poverty in all its forms everywhere
  - Goal 7: Affordable and Clean Energy – Ensure access to affordable, reliable, sustainable, and modern energy
  - Goal 10: Reduced Inequalities – Reduce inequality within and among countries
  - Goal 11: Sustainable Cities and Communities – Make cities and human settlements inclusive, safe, resilient, and sustainable
- Sustainability Bond Framework is aligned to Green and / or Social Bond Principles
  - Use of Proceeds: BRIDGE Housing issued sustainability bonds to use the proceeds to finance/refinance existing or future projects that fit within its Sustainability Bond Framework. The Sustainability Framework defines eligibility in three areas: (i) affordable housing, (ii) transit oriented development, and (iii) green building and energy efficiency
  - Proceeds from sustainability bonds will finance the creation and preservation of affordable housing that have environmentally-friendly features and spur holistic community revitalization
  - Since its inception, BRIDGE Housing has created or preserved over 19,000 units of housing, including over 15,000 affordable units leveraging about \$4.5 billion in total development costs, resulting in serving an estimated 48,000 low-income individuals and creating more than 29,000 construction jobs

SDG	Goal Description	Use of Proceeds Category
	<ul style="list-style-type: none"> <li>• <b>No Poverty</b> – End poverty in all its forms everywhere</li> </ul>	<ul style="list-style-type: none"> <li>• Across all of BRIDGE's Program Priorities</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Affordable and Clean Energy</b> – Ensure access to affordable, reliable, sustainable, and modern energy</li> </ul>	<ul style="list-style-type: none"> <li>• Green Building and Energy Efficiency</li> </ul>

SDG	Goal Description	Use of Proceeds Category
	<ul style="list-style-type: none"> <li>• <b>Reduced Inequalities</b> – Reduce inequality within and among countries</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Opportunity</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Sustainable Cities and Communities</b> – Make cities and human settlements inclusive, safe, resilient, and sustainable</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable Housing</li> <li>• Transit-Oriented Development</li> <li>• Green Building and Energy Efficiency</li> </ul>

# Agenda

- I. BRIDGE Housing Overview
- II. Housing Portfolio Management
- III. Financial Performance
- IV. Summary





## **BRIDGE Housing Overview**

## BRIDGE Housing Overview

- Founded in 1983, BRIDGE is a California nonprofit public benefit corporation, a public charity exempt from tax under Section 501(c)(3) of the Internal Revenue Code. BRIDGE was founded as a mission-driven, affordable housing developer headquartered in San Francisco. ***BRIDGE currently owns 116 multifamily properties comprised of 12,553 units***
- BRIDGE's mission is to strengthen communities and improve the lives of these residents, beginning – but not ending – with affordable housing. In all its developments, BRIDGE utilizes a holistic community development lens on how it plans, implements, and manages affordable housing
- BRIDGE has three main business lines: Real Estate Development, Asset Management, and Property Management
- BRIDGE offers quality resident support services that ensures that its developments help stabilize the neighborhoods that surround its properties, improve housing conditions, and increase access to economic advancement and social mobility
- BRIDGE Housing Corporation (“BRIDGE”) controls other not-for-profit corporations (“Affiliates”) that have been formed either as supporting entities to BRIDGE or as instruments to further BRIDGE's organizational objectives



*Before and after: Jordan Downs in Los Angeles, CA*

***BRIDGE pays close attention to the double-bottom line of financial and social return on investment***



## BRIDGE Housing's Impact

*Since its inception, BRIDGE Housing has achieved the following:*



**48,000+**

### RESIDENTS SERVED

Through BRIDGE's holistic community services



**\$4.5 Billion+**

### CAPITAL LEVERAGED

In total development costs



**15,000+**

### AFFORDABLE UNITS

Comprising 79% of units developed



**19,000+**

### TOTAL UNITS

Developed or preserved



**350+**

### RESIDENT PROGRAMS

Such as retail centers, groceries, community centers, and early childcare centers



**27,000+**

### CONSTRUCTION JOBS

Created through BRIDGE's development activity

# Continued Robust Operations Despite COVID-Related Disruptions

*BRIDGE is Taking Many Proactive Measures to Financially Support its Ongoing Operations*



## Property Management

*Connecting residents with state and local rental subsidy assistance programs, implementing all state and local COVID-19 safety policies to promote safety of residents and staff*

## Projects in Construction

*Closely monitoring developer fee collection by monthly review and analysis, in addition to any COVID-19 related construction delays*

## Rent Collection

*Closely monitoring rent collection, implementing payment plans for residents who cannot pay, and monitoring residents that are paying, but later than usual*

## Reduction of Corporate Expenditures

*BRIDGE has proactively reduced corporate expenditures to maintain the strength of its financial position through uncertain times*

## Asset Management

*Stress-testing the impact of different assumptions about rent collection on surplus cash to BRIDGE*

## Resident Services/Resource Development

*Fundraising to provide internet access and equipment for residents; coordinating services like food delivery, vaccination clinics*

# BRIDGE Housing Structural Overview

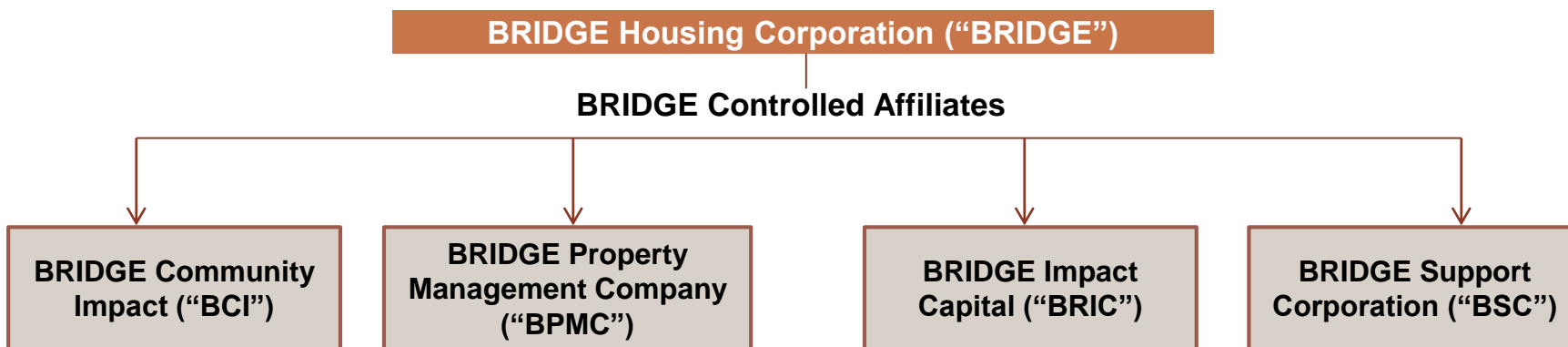
*BRIDGE Housing Corporation (“BRIDGE”) controls other not-for-profit corporations (“Affiliates”) that have been formed either as supporting entities to BRIDGE, or as instruments to further BRIDGE’s organizational objectives*

**BRIDGE Community Impact (“BCI”):** BCI was formed to fund and provide services to support programs that assist the low- and moderate-income, elderly and disabled households who reside in BRIDGE-related housing developments, and to lessen the burden of local government, combat community deterioration and lessen neighborhood tensions in communities associated with BRIDGE-related housing developments through programs that provide service to the communities

**BRIDGE Property Management Company (“BPMC”):** BPMC is the provider of property and marketing services to rental properties developed or acquired by BRIDGE and Affiliates

**BRIDGE Impact Capital (“BRIC”):** BRIC is a Community Development Financial Institution (“CDFI”) as designated by the U.S. Department of Treasury. BRIC provides lending for affordable housing development, mortgage assistance programs for low-income families, and is the sole member of HomeBricks NSP LLC

**BRIDGE Support Corporation (“BSC”):** BSC is a not-for-profit established as a support corporation to BRIDGE



1. These are the main BRIDGE affiliate entities. BRIDGE has numerous controlled affiliates that are used at property ownership level

## Experienced, Engaged, and Diverse Board of Directors

Name	Business Title and Affiliation
<b>Kenneth M. Novack</b> <b>Chairman</b>	<i>Co-Founding Partner, Schnitzer West</i>
<b>Connie Moore</b> <b>Vice Chair</b>	<i>Retired CEO, BRE Properties, Inc.</i>
<b>Douglas Abbey</b>	<i>Chairman, Swift Real Estate Partners</i>
<b>Ray Carlisle</b>	<i>President, Carlisle Companies</i>
<b>Daryl J. Carter</b>	<i>Founder, Chairman and CEO, Avanath Capital Management, LLC</i>
<b>Robert Freed</b>	<i>President &amp; CEO, SummerHill Housing Group</i>
<b>Joe Hagan</b>	<i>Retired President &amp; CEO, National Equity Fund</i>
<b>Nancy Hemmenway</b>	<i>Retired Chief Human Resources Officer, Prologis</i>
<b>Michael McAfee</b>	<i>President, PolicyLink</i>
<b>Ed McNamara</b>	<i>Owner, Turtle Island Development LLC</i>
<b>Ron Nahas</b>	<i>Partner, Rafanelli &amp; Nahas</i>
<b>Adrienne E. Quinn</b>	<i>Distinguished Practitioner, University of Washington Evans School of Public Policy and Governance</i>
<b>Paul Stein</b>	<i>Managing Partner, SKS Investments LLC</i>
<b>Molly Turner</b>	<i>Lecturer, University of California at Berkeley, Haas School of Business</i>
<b>Chuck Weinstock</b>	<i>Retired, Community Development Banking</i>

# Strong Management Team with Demonstrated Experience in Affordable Housing



**Susan Johnson**  
*Interim President & Chief Executive Officer*

**Experience:** 30+ Years

- Joined BRIDGE in 1983
- Oversees the asset management, property management, resident programs and evaluation, and community development activities of BRIDGE, including a portfolio of 11,700 units of rental housing
- Over the years, Ms. Johnson has served BRIDGE in multiple capacities, including Chief Operations Officer, Corporate Secretary, VP of Administration, and Executive Vice President

**Education:** B.S. in Sociology from U.C. Santa Cruz



**Jim Mather**  
*Executive Vice President & Chief Investment Officer*

**Experience:** 20+ Years

- Joined BRIDGE Housing as EVP and CIO in 2019
- Prior to BRIDGE, served as Chief Lending Officer at Housing Trust Silicon Valley
- Earlier, Mr. Mather held various senior roles in community development banking at Union Bank, Bank of America, and U.S. Bank, where he originated more than \$2 billion in loans and investments

**Education:** B.A. from Yale University and M.A. in Architecture and Urban Planning from UCLA



**Delphine Sherman**  
*Executive Vice President & Chief Financial Officer*

**Experience:** 15+ Years

- Joined BRIDGE in 2020
- Previously the CFO for the Haas School of Business, University of California at Berkeley, a top public business school with \$160 million in annual revenues and a \$350 million endowment

**Education:** B.A. in Economics from Dartmouth (Phi Beta Kappa) and a MBA from the Haas School of Business



**Kim McKay**  
*Executive Vice President of Development – Southern California*

**Experience:** 15+ Years

- Joined BRIDGE Housing as EVP in 2010 to lead the Southern California development team
- During her tenure, has led the completion of more than 750 units, the predevelopment of 600 units, the acquisition of 683 units, and the construction of 266 units in the Pacific Northwest

**Education:** B.A. in Architecture from UC Berkeley and a M.S. in Real Estate Development from MIT



**Brad Wiblin**  
*Executive Vice President of Business Development*

**Experience:** 25+ Years

- Joined BRIDGE in 1994
- Has completed the development of over 2,000 units of affordable and market-rate housing in San Jose, Irvine, Carlsbad, San Marcos, and San Diego
- Opened BRIDGE's San Diego office in 1998

**Education:** B.S. in Design from Arizona State University and a Master's in City and Regional Planning from UC Berkeley



**Kurt Creager**  
*Executive Vice President of Development – Pacific Northwest*

**Experience:** 30+ Years

- Joined BRIDGE Housing in October 2018 to oversee BRIDGE's growing real estate development activity in Washington State
- Previously served a 16-year tenure as CEO at the Vancouver Housing Authority, where he managed an annual budget of \$215 million, a pipeline of 3,000 affordable dwellings and a portfolio of 14,000 rent-regulated apartments

**Education:** B.S. in Environmental Planning and Architectural Graphics from Western Washington University



## Management Team (Continued)



**Smitha Seshadri**  
*Executive Vice President of Development – Northern California*

**Experience: 15+ Years**

- Joined BRIDGE in 2017
- Previously served as Vice President of Real Estate at Habitat for Humanity Greater San Francisco, where she was responsible for building the organization's infrastructure, leading the real estate development and construction teams

**Education:** B.A. in Architecture from Mangalore University, a M.A. in Architecture from Kansas State University, and a M.B.A from the University of Chicago Booth School of Business



**Rebecca Hlebasko**  
*Senior Vice President and General Counsel*

**Experience: 25+ Years**

- Joined BRIDGE in 2007
- Has practiced as a real estate attorney for over 25 years, representing a broad range of developers and institutional investors with an emphasis on affordable housing and urban infill development

**Education:** B.A. from Fordham University and a J.D. from Yale Law School



**Simone Robinson**  
*Senior Vice President of Human Resources*

**Experience: 15+ Years**

- Joined BRIDGE in 2019
- Previously served as Director of HR for Bracket Global, a leading clinical trial technology and specialty services provider with more than 500 employees worldwide

**Education:** B.S. in Business Administration from UC Berkeley, an MBA with a concentration in HR and a Master of Science in Human Resource Management from Golden Gate University



**Katherine Fleming**  
*Senior Vice President of Portfolio*

**Experience: 15+ Years**

- Joined BRIDGE in 2014
- Previously worked at RBC Capital Markets as Development Risk Manager, Vice President, where she was responsible for a portfolio of approximately 25 properties under construction and lease-up, totaling over \$280 million in equity investment and over 3,300 units

**Education:** Certified Housing Asset Manager and Non-Project Housing Management Specialist; A.A. from Simon's Rock College and a B.A. from Mount Holyoke College



**James Valva**  
*Senior Vice President of Property Management*

**Experience: 30+ Years**

- Joined BRIDGE in 1995
- Currently serves on the Board of Directors of the HPN Select procurement organization and previously served on the Board of Directors of the Affordable Housing Management Association of Northern California

**Education:** B.A. from St. Mary's College, Moraga, California



**Lyn Hikida**  
*Vice President of Communications*

**Experience: 20+ Years**

- Joined BRIDGE in 2007
- Previously served as Director of Communications and Fund Development for the Corporation for Supportive Housing, a national nonprofit intermediary that helps communities create housing with services to prevent and end homelessness

**Education:** B.A. in Asian Studies and English from Tufts University

## BRIDGE's Mission

*BRIDGE's mission is to strengthen communities and improve the lives of residents, beginning – but not ending – with affordable housing*

### Development and Preservation of Affordable Housing

- BRIDGE's development expertise includes: family and senior housing, supportive housing and assisted living and transit-oriented development, among others. Since inception through March 2021, BRIDGE has created or preserved over **19,000** units of housing

### Property Management

- BRIDGE has led professional property management services for its apartments since 1988

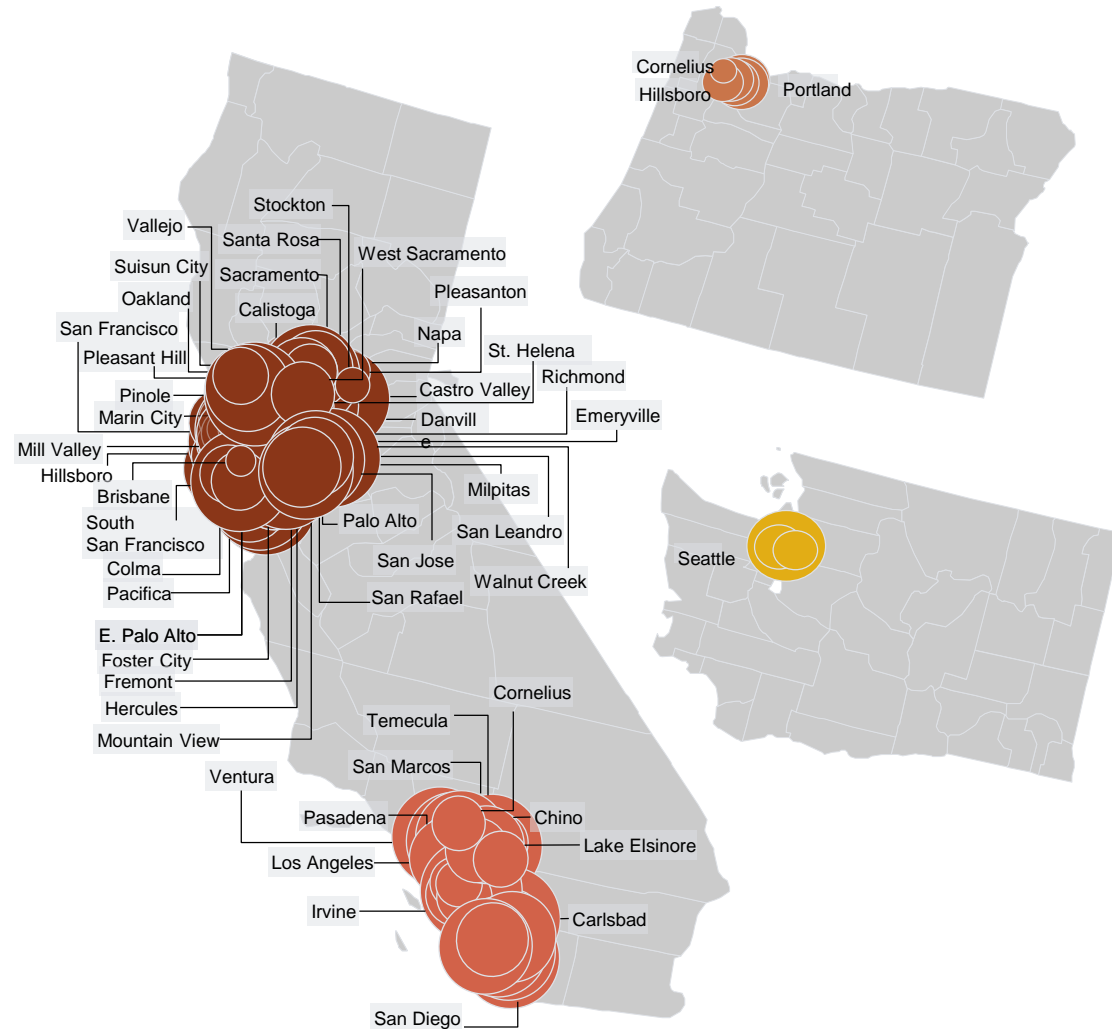
### Asset and Portfolio Management

- The goal of this business line is to ensure the long-term financial and physical health of BRIDGE-owned real estate. Activities include risk management, compliance oversight and reporting, proactive asset management using key indicators and regular financial reviews, and long-term planning to ensure adequate reserves. BRIDGE currently owns **116** multifamily properties comprised of **12,553** units

### Resident Services and Programs

- BRIDGE coordinates more than **350** programs at BRIDGE properties, partnering with local agencies and the best providers in the field to bring programs to residents for free. Examples include:
  - Programs for children and teens, such as summer camps, homework clubs, and after-school programs
  - Adult programs ranging from English as a Second Language to resume workshops and financial literacy
  - Senior programs, such as health programs, community building, and service coordination to support their independence and quality of life
  - Workforce development, including career training, job acquisition, and post-employment mentoring and supports
  - Supportive services for residents with disabilities, exiting homelessness, or experiencing mental health challenges

# Expanding Footprint on the West Coast



## Projects in Development / Pipeline

	Units	# of Properties
Oregon (Portland Metro)	178	1
Washington (Seattle Metro)	721	5
Northern California	4,253	24
Southern California	2,898	17
<b>Total</b>	<b>8,050</b>	<b>47</b>

- BRIDGE develops, owns, and manages housing in four of the highest-cost housing markets in the U.S.: Northern California, Southern California, Seattle Metro, and Portland Metro
- BRIDGE currently owns 116 multifamily properties comprised of 12,553 units
- Over 8,000 units (47 properties) in development pipeline across four regions
- All but one property currently under site control by BRIDGE

## 2019-2023 Strategic Initiatives

### Real Estate Development

BRIDGE aims to advance 9,000 units of housing over a five-year period, building out and balancing its current pipeline of approximately 8,000 units with at least 1,000 additional units

### Capital and Fund Development

Strengthen BRIDGE's access to capital to enable its real estate development practice, support its community/resident impact goals, and ensure sustainable growth in its operations

### Community Development, Resident Services, and Evaluation

Strengthen social supports and supportive networks by integrating the following practice areas: (1) community development and (2) resident services and evaluation

### Internal Strengthening

Build organizational infrastructure to support its advancement; promote a culture that celebrates diversity, equity and inclusion (DE&I), essential to BRIDGE's effectiveness and commitment to its employees and the communities it serves

### Information Technology

Invest in use of data and sophisticated analytical tools to make better and faster business decisions

### Innovation Lab

Institutionalize innovation and incubate, pilot, and launch new initiatives that address opportunities such as: cost-containment strategies, missing middle- /moderate-income housing, and proprietary pipeline funding sources





*Tressa, Seattle*

# Housing Portfolio Management



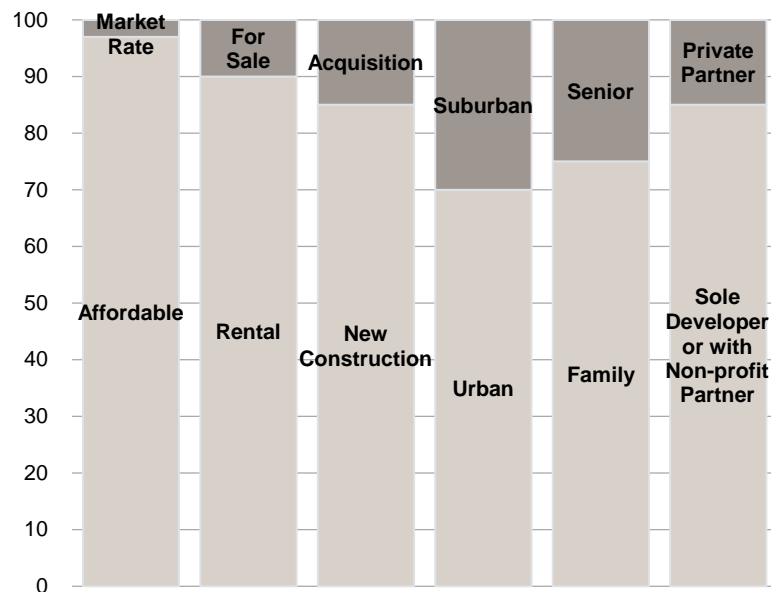
# Current Housing Portfolio

## Breakdown by Product and Resident Types

- BRIDGE serves a diverse population, which mitigates the risk profile of any single resident type
- Approximately half of the residences serve families, and the remainder is a mix of senior, mixed income, former public housing, and supportive housing
- 97.5% of BRIDGE's housing portfolio is comprised of affordable units

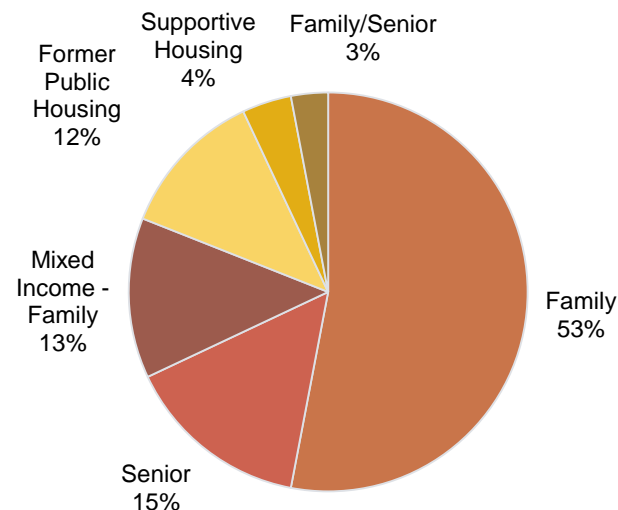
### Range of BRIDGE Product Types<sup>1</sup>

(%)



### BRIDGE Resident Types<sup>1</sup>

(%)



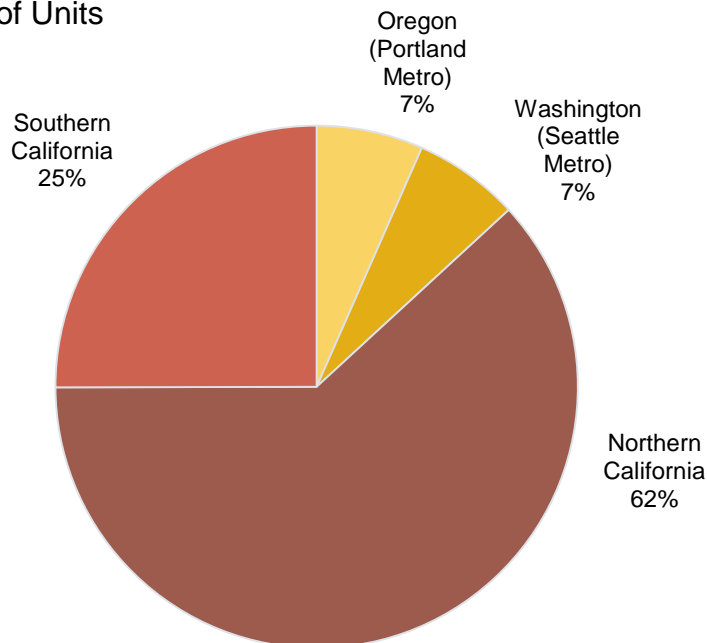
1. As of March 31, 2021

# Housing Portfolio Diversification by Geography

## Breakdown by Geography

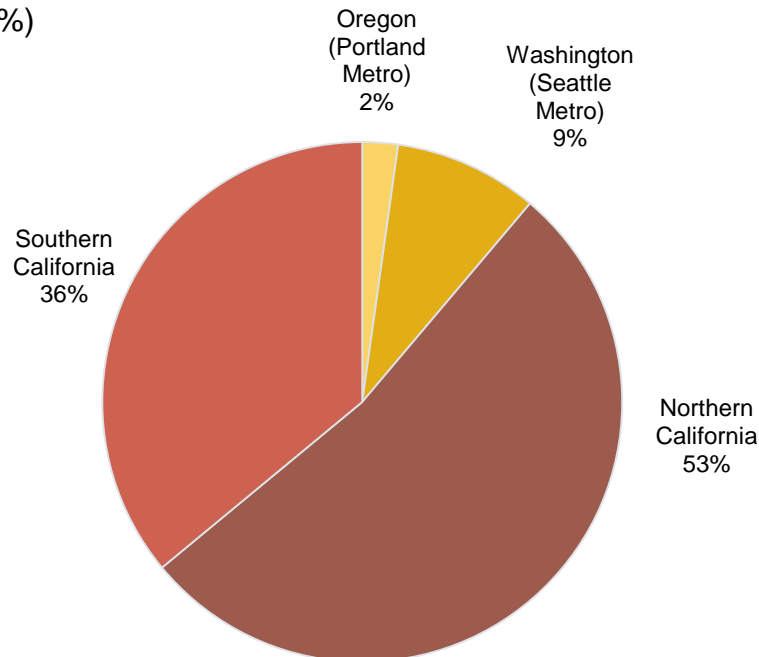
### Properties Owned by BRIDGE<sup>1</sup>

% of Units



### Projects in Development / Pipeline<sup>1</sup>

(%)



- BRIDGE develops, owns, and manages housing in four major regions: Northern California, Southern California, Seattle Metro, and Portland Metro
- BRIDGE is one of the largest nonprofit affordable housing developers on the West Coast. BRIDGE is known for creating award-winning affordable homes that not only reflect the character of the community but also display the same quality of design and construction as market-rate housing

1. As of March 31, 2021

## Summary of BRIDGE Portfolio (Continued)

### Summary of Owned Properties

	Oregon (Portland Metro)		Washington (Seattle Metro)		Northern California		Southern California		Total	
	Units	# of prop	Units	# of prop	Units	# of prop	Units	# of prop	Units	# of prop
Properties managed by BRIDGE	766	5	-	-	6,429	73	2,570	21	9,615	99
Third-party managed	156	2	806	3	1,169	8	657	4	2,788	17
<b>Total Properties owned by BRIDGE<sup>1</sup></b>	<b>922</b>	<b>7</b>	<b>806</b>	<b>3</b>	<b>7,598</b>	<b>81</b>	<b>3,277</b>	<b>25</b>	<b>12,553</b>	<b>116</b>
Turn Key/Sold Developments	-	-	-	-	1,481	13	-	-	1,481	13

### Summary of Projects in Development Pipeline

	Oregon (Portland Metro)		Washington (Seattle Metro)		Northern California		Southern California		Total	
	Units	# of prop	Units	# of prop	Units	# of prop	Units	# of prop	Units	# of prop
Masterplan	-	-	-	-	2,539	3	1,670	3	4,209	6
Projects in Pre-Dev New Construction	-	-	389	3	583	8	1,043	12	2,015	23
Projects in Construction New Construction	178	1	-	-	731	8	185	2	1,094	11
Projects in Pre-Development Rehabilitation	-	-	184	1	313	4	-	-	497	5
Projects in Construction Rehabilitation	-	-	148	1	87	1	-	-	235	2
<b>Total Projects in Development / Pipeline<sup>2</sup></b>	<b>178</b>	<b>1</b>	<b>721</b>	<b>5</b>	<b>4,253</b>	<b>24</b>	<b>2,898</b>	<b>17</b>	<b>8,050</b>	<b>47</b>

1. As of March 31, 2021

2. Includes co-owned properties

3. Includes projects that have entered the "REPS" stage of development

## Select Examples of BRIDGE Housing's Projects

### Songbird, Portland, OR

Songbird (North Williams) brings 61 new affordable homes for families to Portland's Eliot neighborhood, with priority given under the City's N/NE Preference Policy to current and former community residents who were displaced or at risk of displacement. The five-story building features a landscaped courtyard, large community room, laundry and resident services spaces, individual stoops for ground-floor units, a children's play area and a variety of gathering places for residents, including an urban plaza that fosters connections with the surrounding community.



### La Fénix at 1950, San Francisco, CA

Mission Housing Development Corporation and BRIDGE Housing partnered to develop 157 affordable apartment homes for families. La Fénix at 1950 is affordable to households with incomes between 45% and 60% AMI, with 25% of the apartments set aside for 40 formerly homeless families. Resident amenities include a rooftop garden, a courtyard, a community room with kitchen, and a bike workshop that trains youth from the property and the surrounding communities on bike maintenance. Neighborhood-serving retail space will be available for local nonprofits and entrepreneurs. Affordable gallery and work spaces cater to the Mission District artist community.

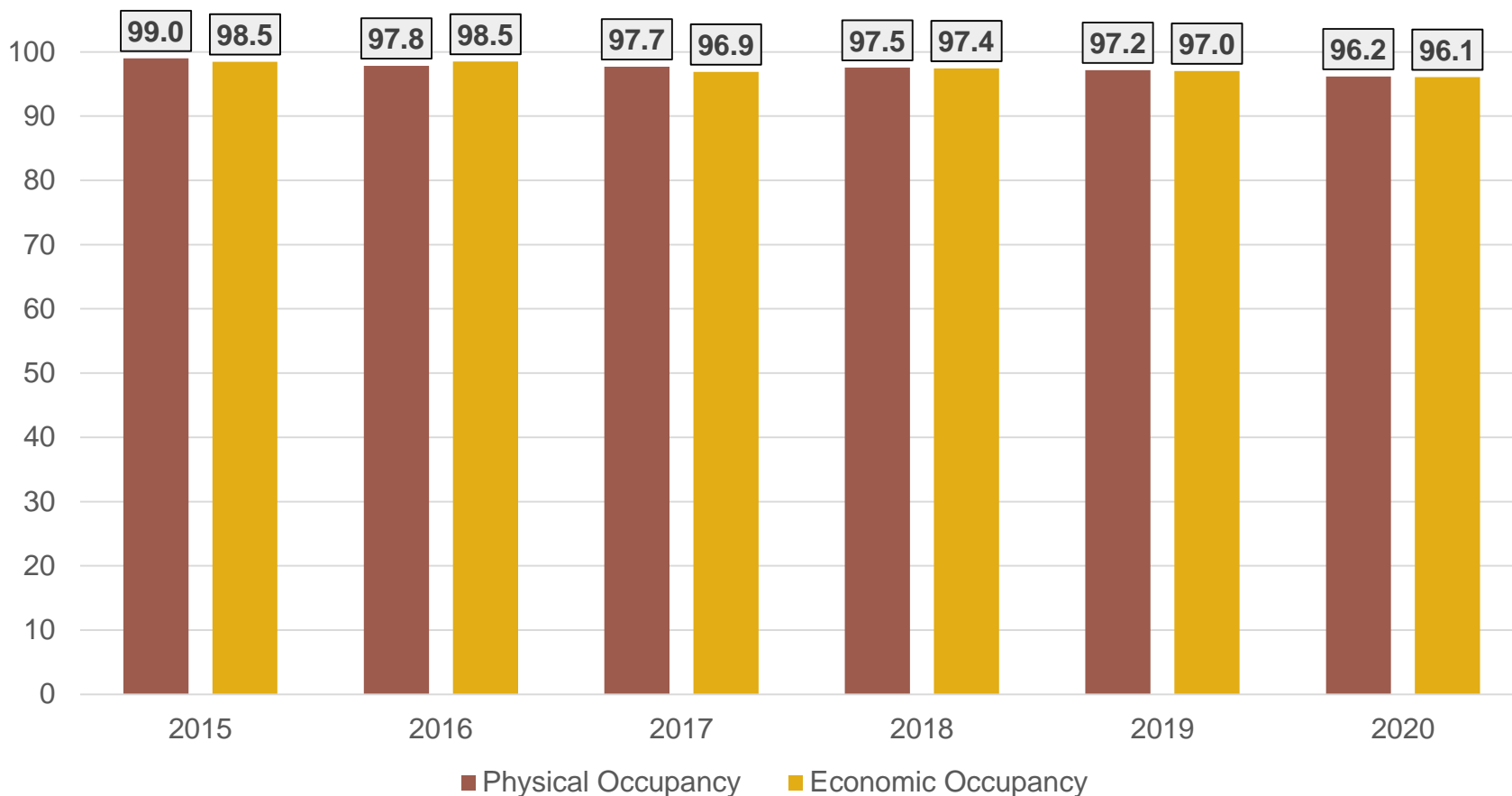


Source: <https://bridgehousing.com/properties/>

# BRIDGE Has Consistently Maintained High Occupancy Levels

## Physical and Economic Occupancy Levels (%)

*Between December 31, 2015 and December 31, 2020, physical and economic occupancy averaged 97.6% and 97.4%, respectively*





# Underwriting and Financing

## Underwriting Analysis and Approval

- BRIDGE's Business Development Group is responsible for initial underwriting and due diligence for all projects. BRIDGE evaluates each project against a comprehensive list of underwriting criteria which include financial feasibility (examples include positive cash flow, soft cost contingencies, loan to value), affordable housing and transit-oriented metrics.
- Project Financing is led by BRIDGE's Capital Markets Group, a team of four individuals led by the Chief Investment Officer; Capital Markets cultivates relationships with banks, equity investors, and Low-Income Housing Tax Credit ("LIHTC") syndicators to find the most advantageous capital sources for Affordable Housing Development

## Project Selection

- When considering a potential project, BRIDGE does a thorough evaluation of social impact and financial feasibility
- Once the Business Development team has carried out appropriate due diligence, BRIDGE will conduct an evaluation of social impact and financial feasibility, which considers factors such as affordability targets, community benefit guidelines and services provision
- The assessment is presented to the Project Review Committee (the "Internal Projects Committee") for approval, which is comprised of the BRIDGE Executive Team, which includes the President and CEO, Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), Chief Investment Officer ("CIO"), and Executive Vice Presidents for all development regions, Executive Vice President of Business Development, and General Counsel
- Projects that have been approved by the Internal Projects Committee are submitted to the Projects Committee of the BRIDGE Board of Directors for review. The Projects Committee reviews and approves project capital expenditures and financing over a dollar threshold established from time to time by the BRIDGE Board . The Projects Committee also reviews and approves all project related property acquisitions and project-related corporate guaranties
- As part of the project selection process, the Projects Committee is also presented with the Property Management plan for the project. BRIDGE does not property manage every property that it develops.
  - ✓ The first criteria is location; BRIDGE does not manage single properties in new geographies
  - ✓ The second criteria is type; BRIDGE only manages properties for which it has experience and expertise
  - ✓ The third criteria is the partnership structure; for deals that require a partner, the partner organization may request property management oversight

# Portfolio Monitoring and Oversight

## Active Management and Monitoring of Potential Portfolio Risks

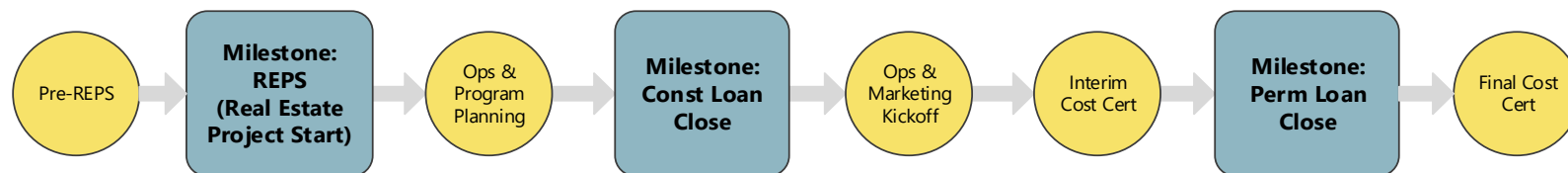
### Major Milestones

- ✓ Real Estate Project Start (“REPS”)
- ✓ Construction Loan Closing
- ✓ Permanent Loan Closing

### Milestone Transition Meetings

Milestone Transition Meetings (“MTMs”) take place shortly after a development project hits a milestone specified above. These meetings allow Development Staff to Communicate the progress of a project’s development, and provides Stakeholders an opportunity to review and provide input

*Milestones are denoted by blue rectangles in the diagram below. At an MTM meeting, stakeholders may also raise items that are specific to sub-groups’ needs. These items can be taken off-line and addressed at a separate meeting. Additionally, Senior Development leaders meet once a month to review progress on all projects and provide monthly reports. Furthermore, Project Managers must update Project Status Reports monthly for any project in pre-development or in construction*



### Participants:

#### Development Staff

Project Manager  
Project Administrator  
Supervisor

#### Stakeholders

Asset Management  
Property Management  
Finance  
Portfolio  
Programs

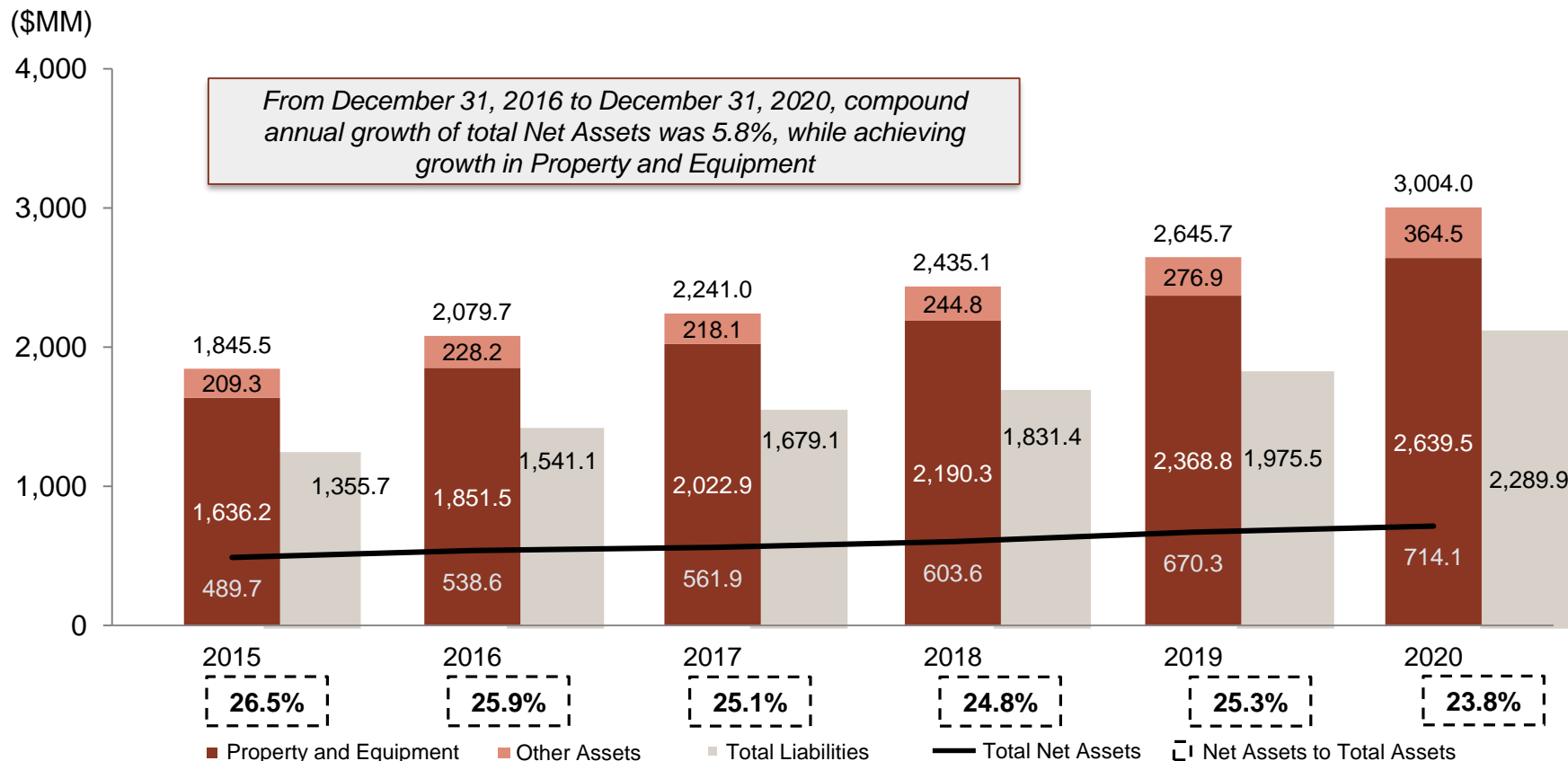
*Additional staff invited by Stakeholders as appropriate*



**Financial Performance**

# Intentional Balance Sheet Growth

*Exceptionally Steady Net Asset Position Through Balance Sheet Growth*

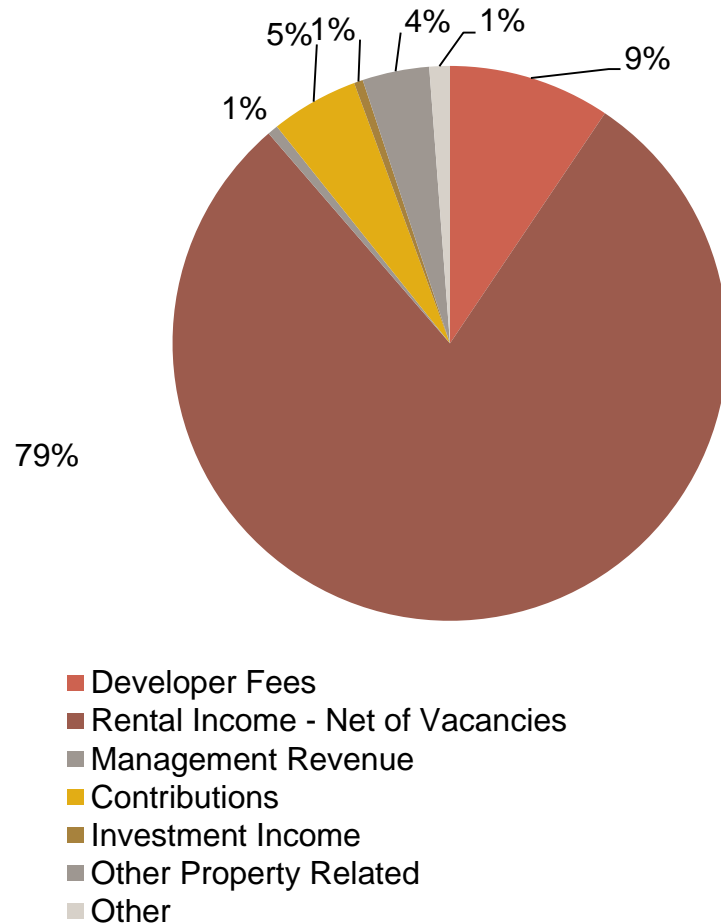


- Along with portfolio growth since December 31, 2016, BRIDGE has maintained steady net asset growth as well, with unrestricted net assets growing at a CAGR for 5.8% per annum
- From December 31, 2016 to December 31, 2020, net assets averaged 25.0% of total assets, demonstrating disciplined financial management and consistently positive returns

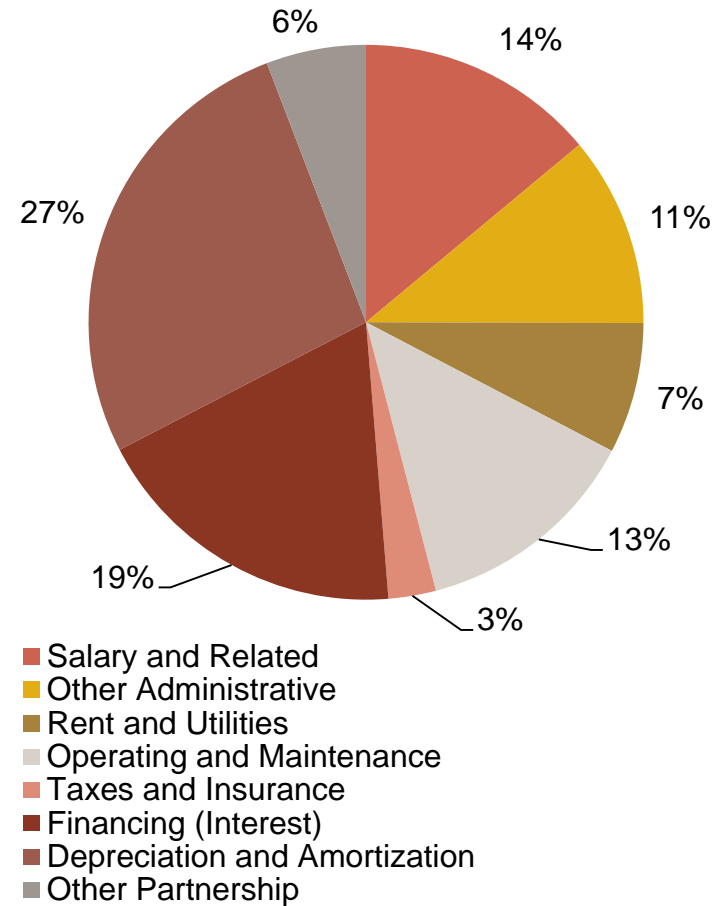
# Revenue Sources and Uses: December 31, 2020

*Revenue Driven Primarily by Rental Income*

**Sources of Revenue**



**Functional Expense Composition**

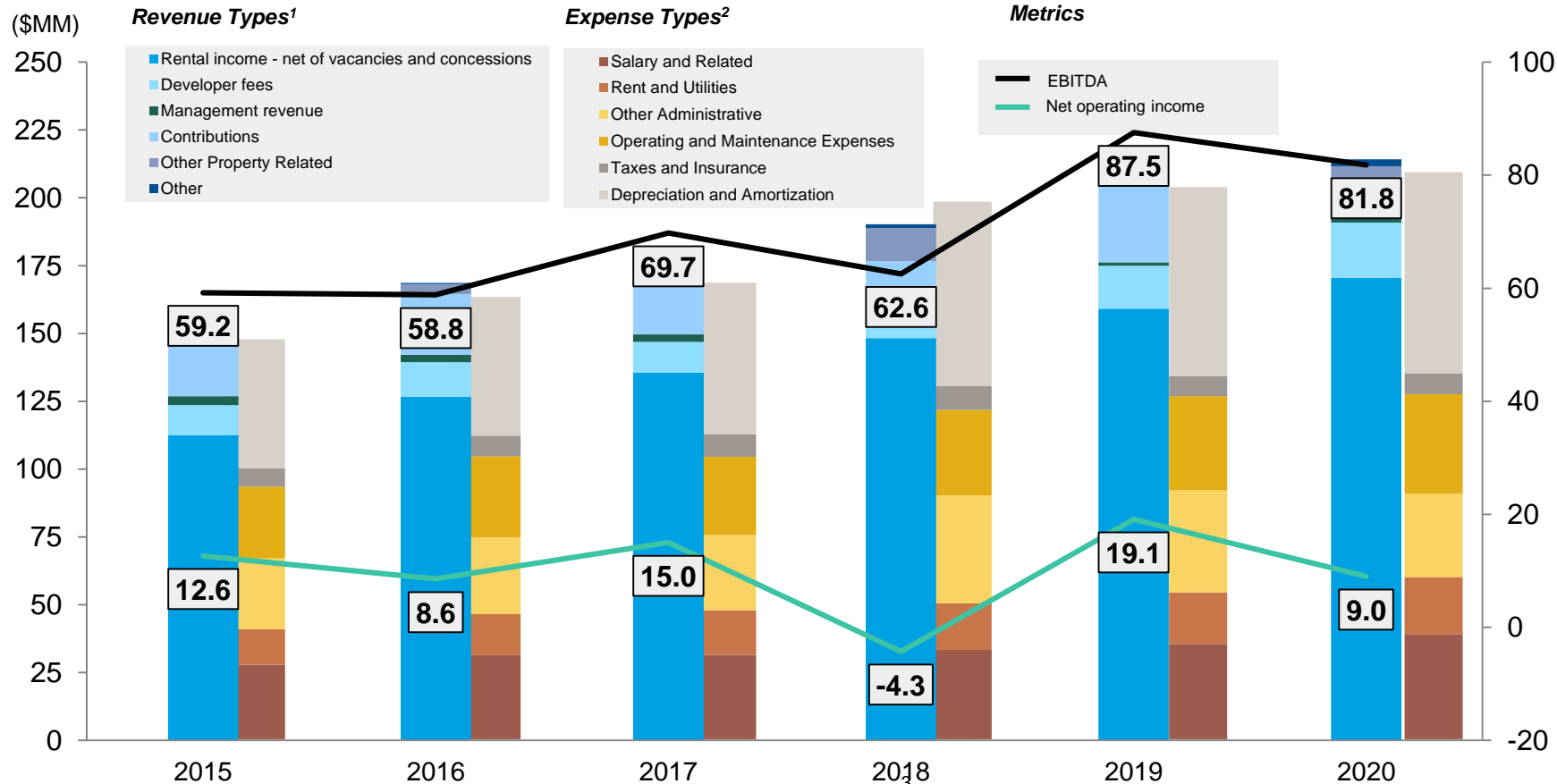




# Net Operating Income and EBITDA

*Core Operational Revenue Stream Supported by Excellent Portfolio Performance and Asset Management*

## Net Operating Income and EBITDA



1. Revenue less Investment Income

2. Expenses less Interest & Partnership Expenses

3. 2018 deviates from the NOI trend due to a reduction in development grant contributions recognized in 2018 and a significant increase in depreciation expense of assets newly placed in service

# Debt-to-EBITDA

## Debt-to-EBITDA Declines by 41% When Excluding “Soft Debt” Payments

### Composition of BRIDGE’s capital stack for any given development

- ✓ BRIDGE’s capital stack includes tax credit equity, hard debt, and soft debt
- ✓ “Soft debt” refers to subordinated loans that require current payments only to the extent that the property has sufficient cash flow and in some cases, do not require any payments until the maturity of such loans even if there is surplus cash flow
- ✓ **Soft debt enables BRIDGE to fill funding gaps, enabling BRIDGE to maximize the housing it produces to serve very low-income households in high-demand areas**

### Notes Payable

	2015	2016	2017	2018	2019	2020
	Principal	Principal	Principal	Principal	Principal	Principal
Type of Note						
w/ Regular Payments	697,641,000	755,439,000	869,494,000	840,646,000	912,288,000	1,154,972,000
w/ Repayments Due at Maturity	17,034,000	23,321,000	21,586,000	25,209,000	25,208,000	29,562,000
<b>Total Hard</b>	<b>714,675,000</b>	<b>778,760,000</b>	<b>891,080,000</b>	<b>865,855,000</b>	<b>937,496,000</b>	<b>1,184,534,000</b>
w/ Annual Payments from Available Excess Cash (Soft)	460,693,000	571,337,000	594,566,000	737,885,000	799,592,000	857,701,000
<b>Total, Gross</b>	<b>1,175,368,000</b>	<b>1,350,097,000</b>	<b>1,485,646,000</b>	<b>1,603,740,000</b>	<b>1,737,088,000</b>	<b>2,042,235,000</b>
Debt Issuance Costs, net	9,654,000	8,975,000	9,534,000	11,485,000	14,841,000	17,544,000
<b>Total, Net</b>	<b>1,165,714,000</b>	<b>1,341,122,000</b>	<b>1,476,112,000</b>	<b>1,592,255,000</b>	<b>1,722,247,000</b>	<b>2,024,691,000</b>
<b>Cash Paid for Interest</b>	<b>22,153,000</b>	<b>27,130,000</b>	<b>26,593,000</b>	<b>27,694,000</b>	<b>37,062,000</b>	<b>32,978,000</b>
Earnings						
Total Operating Revenue <sup>(1)</sup>	157,326,000	168,643,000	180,162,000	190,241,000	218,952,000	214,176,000
Total Operating Expenses <sup>(2)</sup>	144,685,000	160,066,000	165,161,000	194,493,000	199,821,000	205,157,000
<b>Net Operating Income</b>	<b>12,641,000</b>	<b>8,577,000</b>	<b>15,001,000</b>	<b>(4,252,000)</b>	<b>19,131,000</b>	<b>9,019,000</b>
Depreciation & Amortization Expense	46,564,000	50,254,000	54,748,000	66,803,000	68,387,000	72,787,000
<b>EBITDA</b>	<b>59,205,000</b>	<b>58,831,000</b>	<b>69,749,000</b>	<b>62,551,000</b>	<b>87,518,000</b>	<b>81,806,000</b>
<b>Hard Debt-to-EBITDA</b>	<b>12.1x</b>	<b>13.2x</b>	<b>12.8x</b>	<b>13.8x</b>	<b>10.7x</b>	<b>14.5x</b>
<b>Aggregate Total Debt-to-EBITDA<sup>(3)</sup></b>	<b>19.7x</b>	<b>22.8x</b>	<b>21.2x</b>	<b>25.5x</b>	<b>19.7x</b>	<b>24.7x</b>
<b>EBITDA / Operating Revenue</b>	<b>37.63%</b>	<b>34.88%</b>	<b>38.71%</b>	<b>32.88%</b>	<b>39.97%</b>	<b>38.20%</b>
<b>EBITDA / Cash Paid for Interest</b>	<b>2.67x</b>	<b>2.17x</b>	<b>2.62x</b>	<b>2.26x</b>	<b>2.36x</b>	<b>2.48x</b>

1. Revenue less investment income

2. Expenses less Interest & Partnership Expenses

3. Net of Issuance Costs

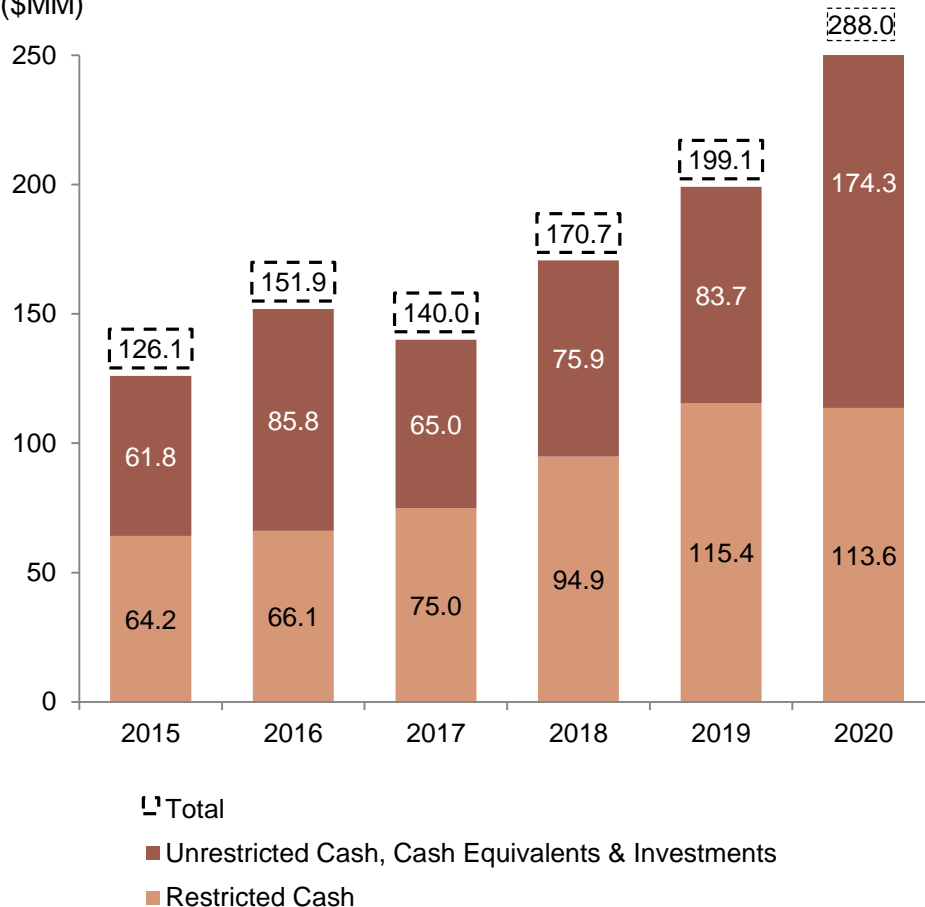
# Cash and Cash Equivalents

*As of December 31, 2020, BRIDGE had approximately \$288.0 Million in Cash, Cash Equivalents & Investments*

- BRIDGE has designated certain cash and cash equivalents for the:
  - ✓ Development of affordable homes
  - ✓ Operating and replacement reserves at the properties
- From December 31, 2016 to December 31, 2020, total Unrestricted Cash, Cash Equivalents, and Investments grew at a compound annual growth rate of approximately 15.2%

## BRIDGE Cash and Cash Equivalents

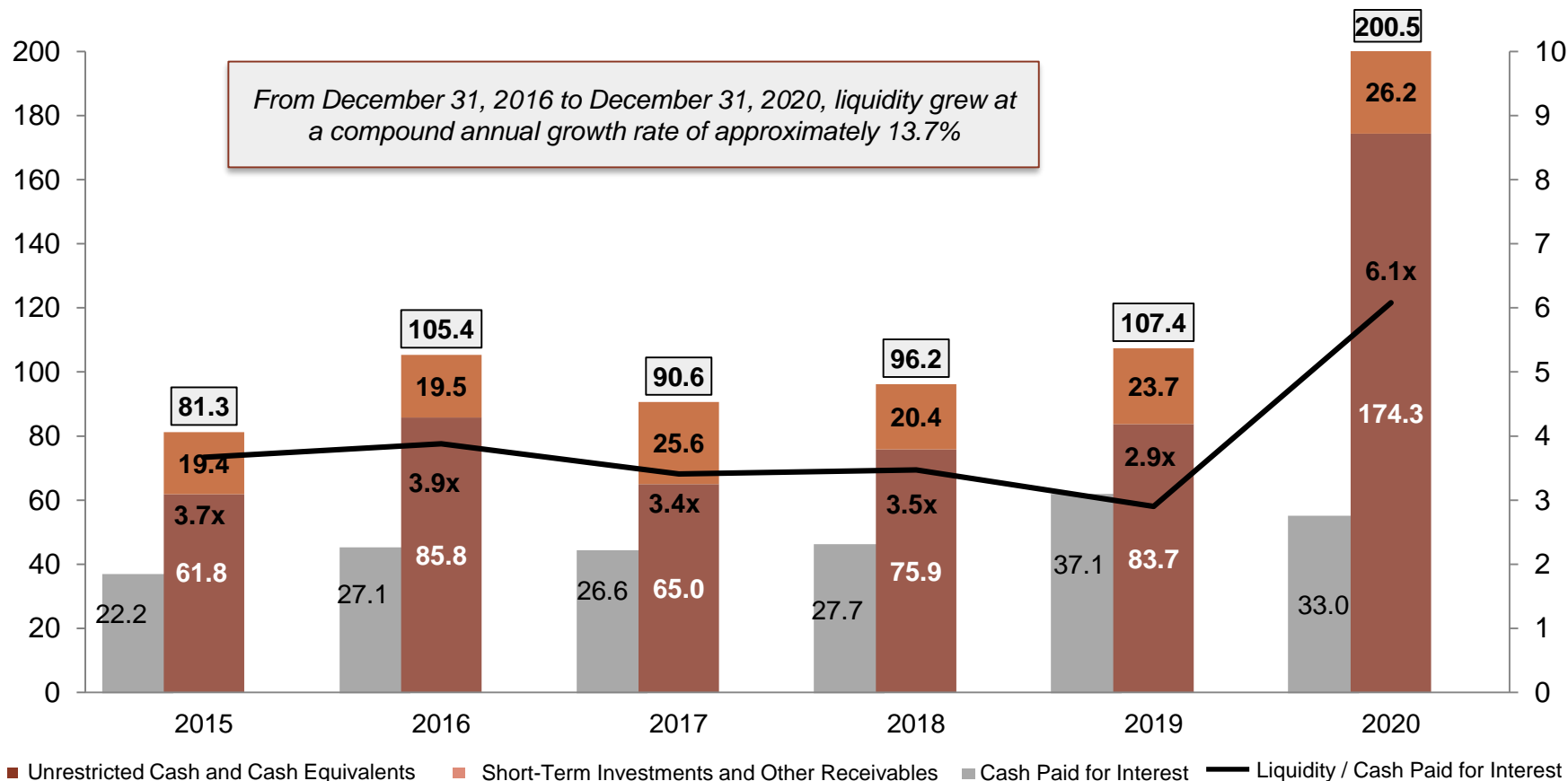
(\$MM)



# Consistently Strong and Growing Liquidity with Ample Interest Coverage

**Sources of Liquidity / Uses of Liquidity**  
(\$MM)

**Liquidity / Cash Paid for Interest**  
(X)



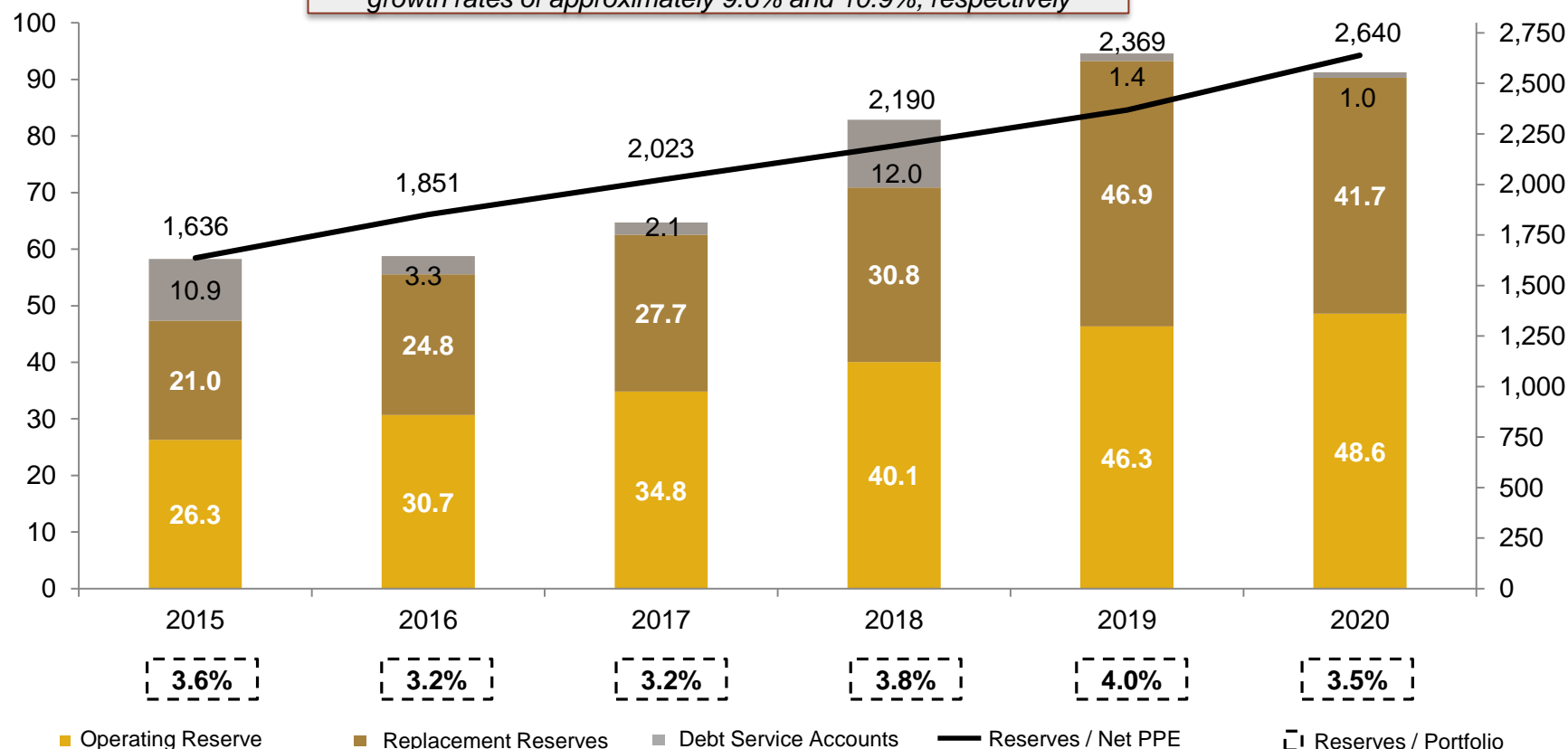
## BRIDGE Maintains Ample Reserves

*As of December 31, 2020, BRIDGE's properties have over \$90.3 million of operating reserves and replacement reserves. Reserves are held for the long-term maintenance of the asset. Properties are required to make regular monthly deposits into these accounts*

### BRIDGE's Reserves (\$MM)

*From December 31, 2016 to December 31, 2020, operating reserves and replacement reserves grew at a compound annual growth rates of approximately 9.6% and 10.9%, respectively*

### Net PPE (\$MM)



# Management Levers to Maintain and Create Liquidity

## *BRIDGE Provides Several Mechanisms to Maintain and Generate Additional Cash*

### **Asset Sales & Portfolio Refinancing**

- Asset and Property Management reviews and analyzes each asset with the goal of improving the livability, affordability and/or the sustainability of BRIDGE and its residents, on a rolling basis such that the entire portfolio has been reviewed every three years
  - Examples include: a) options for restructuring the financing of a property; b) capital expenditure planning for the property; c) location and other extenuating impediments that suggest that BRIDGE is unable to fully support continued ownership; d) resident survey information, as available, including livability; and e) current market conditions and options to strengthen the property's return on investment ("ROI") through repositioning
- As of April 2021, BRIDGE has 100% ownership in 44 properties, which could be asset sale or refinance candidates

### **Operating and Replacement Reserves**

- Reserves are sized at the beginning of a project and are held for the long-term maintenance of the asset. When BRIDGE has full ownership of property, operating and replacement reserves are directed by BRIDGE; otherwise, using operating or replacement reserves may require investor and/or lender approval
- As of December 31, 2020, BRIDGE had over \$90.3 million of operating reserves and replacement reserves
  - Because of reserves, properties are protected and won't call on BRIDGE to make deposits into the property account; corporate assets and liquidity levels are protected

### **Presence of Government Subsidy**

- For 2020, 35% of rental income was covered by government subsidies, including tenant subsidies and project based vouchers, which were awarded prior to the start of construction

### **365-Day Cash Guideline**

- The organization manages to a Board-approved liquidity guideline to maintain at least 365 days of cash on hand at the corporate level. Monthly cash balances are measured against this metric and presented to Senior Management and Projects Committee prior to any pre-development loans being made

### **Corporate Refinancing to Extract Savings**





- Access to capital markets transactions allowing for long-term, fixed-rate capital to refinance outstanding debt obligations





# Summary

## Summary of 2020 Highlights

-  **Substantial Progress Toward Five-Year Strategic Plan Goals (as of 12/31/2020)**
  - Production of 3,049 units (34%) of 9,000 unit goal completed/underway
  - \$1.5 billion (40%) of project capital raised for \$3.8 billion goal
  - \$14.2 million in cash and pledges (40%) of fund development raised for \$35 million goal
-  **Demonstrated Support from Local and Federal Governments**
  - Secured and received forgiveness of \$5.7 million Paycheck Protection Program loan
  - 35% of rental income covered by subsidies, including tenant subsidies and project based vouchers
-  **Operational Excellence Despite Challenges Posed by COVID-19**
  - Completed all property, corporate and consolidated audits with no material weaknesses or findings
  - Continued construction activity at ~90%; celebrated nine project milestones (e.g. groundbreakings)
  - Maintained essential services at properties, e.g. janitorial, emergency work orders, rent collection, annual income re-certifications
  - Recorded no COVID-related operating deficits at any properties
-  **Continued Financial Strength**
  - FY 2020 EBITDA of \$81.8 million (38.2% of revenues), demonstrating breadth
  - Strong Debt-to-EBITDA coverage; FY 2020 Debt-to-EBITDA falls from 24.7x to 14.5x (41%) when accounting for hard debt only
  - Sufficient EBITDA-to-Interest coverage FY 2020 EBITDA-to-Cash Paid for Interest of 2.48x
  - Reaffirmed A+ credit rating from S&P

## Additional Investor Information

- For additional information, please see our Investor Information website:
  - <https://bridgehousing.com/investor-information/>
- Additionally, please feel free to contact Lyn Hikida, Vice President of Communications, for additional information:
  - [Lhikida@bridgehousing.com](mailto:Lhikida@bridgehousing.com), (415) 321-3552