

2009 Annual Report



ABOVE: CYNTHIA PARKER AND RICK HOLLIDAY

Dear Friends:

There is no doubt that the economy in recent times has had a significant impact on our industry and on the communities and families we serve. Despite the economic challenges facing the affordable housing industry, this has been an extraordinarily productive 18 months for BRIDGE, with over 1,800 units in construction or lease-up in nine different communities across the state. I am proud to have joined the talented and caring team at BRIDGE as its new President and CEO, and I look forward to the years to come.

The economy has made us acutely aware of the continued need for affordable housing as a place of shelter, family stability and as a springboard to economic opportunity. None of the progress we have made could have been done without an army of supportive friends.

BRIDGE pledges to continue its commitment to innovation and quality affordable development. Given the need for affordable housing and the positive impact it has on communities and people's lives, BRIDGE plans to increase its goals of production and expand its reach into additional markets.

We hope you will join us as a partner and a friend. Our future depends on our efforts.

Cynthia A. Parker
President & CEO

I am pleased to present this annual report with a new CEO and renewed commitment to our mission. The BRIDGE standards of "quality, quantity and affordability" have never been more needed or in greater demand. The last 18 months have brought organizational change and a high level of affordable production. We look forward to building on our existing platform of excellence and to doing even more in the future.

Richard Holliday
Chairman of the Board

During one of the most uncertain periods in modern real estate development, BRIDGE held its own in 2009, with more than 1,800 homes and apartments either completed or in construction. Among the highlights of the past 18 months:

- We celebrated the grand opening of Mission Walk, the first below-market-rate, for-sale homes in San Francisco's new Mission Bay neighborhood. Mission Walk's 131 condominiums and townhomes received LEED (Leadership in Energy and Environmental Design) Silver certification.
- We broke ground on St. Joseph's Senior Apartments in Oakland. This rehabilitation of a significant historic landmark will feature 84 rental apartments for very-low-income seniors.
- We advanced work on our first project in Los Angeles County, on an underutilized site near Gardena High School. When complete, Sage Park will include 128 affordable apartments targeted to Los Angeles Unified School District teachers and staff.
- We formally launched our Portfolio Management Team, which analyzes and monitors performance of the properties in our portfolio, managing these assets with particular concern for their financial, operational and physical health.
- We said a proud farewell to Carol Galante, who had served as BRIDGE President and CEO for 13 years, as she was appointed Deputy Assistant Secretary for Multifamily Housing Programs at the U.S. Department of Housing and Urban Development.



LEFT TO RIGHT: ST. JOSEPH'S SENIOR GROUND BREAKING, OAKLAND; REBUILD POTRERO COMMUNITY BUILDING ACTION DAY

BRIDGE
DEVELOPMENTS

PROJECT NAME	PROJECT LOCATION	PROJECT TYPE	TOTAL HOMES & APARTMENTS	AFFORDABLE HOMES & APARTMENTS	PROJECT VALUE	BRIDGE	BUILD*	HomeBricks**
BRIDGE DEVELOPMENTS COMPLETED/IN SERVICE 1983-2009			12,985	9,305	\$2,014,345,000			
IN CONSTRUCTION								
ALTAIRE/ALTA TORRE (901 SAN ANTONIO)	PALO ALTO	SENIOR RENTAL/FAMILY OWNERSHIP	159	56	\$ 113,600,000	•	•	
ARMSTRONG PLACE SENIOR	SAN FRANCISCO	SENIOR RENTAL	116	116	41,200,000	•		
CANDLESTICK COVE	SAN FRANCISCO	FAMILY OWNERSHIP	4	4	1,200,000			•
CITRA	SUNNYVALE	FAMILY RENTAL	147	15	39,800,000		•	
CRIMSON (LEWIS ROAD)	SAN JOSE	FAMILY OWNERSHIP	40	4	25,000,000		•	
THE CORONET (GEARY BLVD. SENIOR LIVING)	SAN FRANCISCO	SENIOR RENTAL	150	150	63,000,000	•		
IRVINGTON VILLAGE PHASE II	FREMONT	FAMILY OWNERSHIP	168	25	99,400,000		•	
MOSAICA 601	SAN FRANCISCO	FAMILY OWNERSHIP	21	21	5,600,000			•
ST. JOSEPH'S SENIOR	OAKLAND	SENIOR RENTAL	84	84	34,700,000	•		
TRESTLE GLEN	COLMA	FAMILY RENTAL/OWNERSHIP	151	119	46,100,000	•		
2009 IN CONSTRUCTION			1,040	594	\$ 469,600,000			
IN APPROVALS								
474 NATOMA	SAN FRANCISCO	FAMILY RENTAL	57	57	30,500,000	•		
9TH AND BROADWAY	SAN DIEGO	SINGLES/SPECIAL NEEDS	250	250	65,500,000	•		
THE ALAMEDA AT SAN LEANDRO CROSSINGS	SAN LEANDRO	FAMILY RENTAL	100	100	39,700,000	•		
ALCOSTA	SAN RAMON	SENIOR RENTAL	70	70	19,500,000	•		
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	•		•
CORNERSTONE AT SAN LEANDRO CROSSINGS	SAN LEANDRO	FAMILY RENTAL/OWNERSHIP	200	0	TBD		•	
DOLORES LIA	MILLBRAE	FAMILY OWNERSHIP	27	27	10,200,000	•		•
FOOTHILL FARMS	SACRAMENTO	SENIOR RENTAL	138	138	27,800,000	•		
LINDEN LOFTS	OAKLAND	FAMILY OWNERSHIP	50	TBD	17,500,000	•		
MACARTHUR TRANSIT VILLAGE	OAKLAND	FAMILY RENTAL/OWNERSHIP	624	108	213,200,000	•	•	
MEDICI	OAKLAND	FAMILY RENTAL	74	74	30,000,000	•		
POTRERO TERRACE/POTRERO ANNEX	SAN FRANCISCO	FAMILY/SENIOR/RENTAL/OWNERSHIP	1,500	900	444,260,000	•	•	•
POTTERY COURT	LAKE ELSINORE	FAMILY RENTAL	113	113	26,000,000	•		
SAGE PARK	GARDENA	FAMILY RENTAL	90	90	28,200,000	•		
ST. JOSEPH'S FAMILY APARTMENTS	OAKLAND	FAMILY RENTAL	58	58	27,007,000	•		
ST. JOSEPH'S HOMEOWNERSHIP	OAKLAND	FAMILY OWNERSHIP	12	12	7,000,000	•		•
SUMMERHOUSE	TEMECULA	FAMILY/SENIOR RENTAL	110	110	25,400,000	•		
TRANSBAY 11A	SAN FRANCISCO	SPECIAL NEEDS RENTAL	120	120	36,000,000	•		
WEST SACRAMENTO	WEST SACRAMENTO	FAMILY RENTAL	70	70	24,900,000	•		
WESTVIEW VILLAGE	VENTURA	FAMILY RENTAL	300	300	106,000,000	•		
WOODS GROVE	PITTSBURG	FAMILY RENTAL	80	80	19,150,000	•		
2009 IN APPROVALS			5,465	3,198	\$1,298,817,000			
GRAND TOTAL TO DATE			19,490	13,097	\$3,782,762,000			

* 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

	2009	2008
ASSETS		
Cash and cash equivalents	\$ 72,651,000	70,454,000
Restricted cash and deposits	48,404,000	47,554,000
Accounts receivable - net	2,834,000	3,695,000
Notes receivable	31,939,000	34,274,000
Prepaid expenses, deposits and impounds	3,306,000	3,625,000
Property and equipment - net	1,043,159,000	931,206,000
Deferred costs - net	14,290,000	14,438,000
Land under lease and other investments	8,747,000	8,802,000
Total assets	1,225,330,000	1,114,048,000
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	30,251,000	24,992,000
Notes and interest payable	806,635,000	680,341,000
Deferred revenues	25,535,000	30,645,000
Security and other deposits	4,303,000	4,481,000
Total liabilities	866,724,000	740,459,000
Net assets:		
Unrestricted:		
Controlling interests	70,580,000	65,783,000
Non-controlling interests	203,997,000	223,195,000
Total unrestricted	274,577,000	288,978,000
Temporarily restricted:	82,369,000	82,951,000
Permanently restricted:	1,660,000	1,660,000
Total net assets	358,606,000	373,589,000
Total liabilities and net assets	\$ 1,225,330,000	1,114,048,000

* 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

	2009	2008
SUPPORT AND REVENUE		
Rental income – net of vacancies and concessions	\$ 79,217,000	\$ 76,247,000
Management revenue	3,153,000	4,127,000
Contributions	3,886,000	29,896,000
Interest income	2,484,000	4,389,000
Other	6,949,000	4,417,000
Total support and revenue	95,689,000	119,076,000
EXPENSES		
Program services ⁽¹⁾	80,460,000	82,328,000
Supporting services	4,010,000	3,201,000
Fundraising	367,000	378,000
Total expenses	84,837,000	85,907,000
Cash Operating Income	\$ 10,852,000	\$ 33,169,000

⁽¹⁾ Expenses exclude \$26,318,000 and \$26,088,000 of non-cash Depreciation and Amortization Expense and \$6,959,000 and \$6,575,000 of non-cash Interest Expense on project related subordinate financing in 2009 and 2008 respectively.



LEFT TO RIGHT: ARMSTRONG TOWNHOMES, SAN FRANCISCO; FIRST-TIME HOMEBUYER JAE BERMAN

FINANCIAL PARTNERS
& 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 in 2009:

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STEPPING STONE TO ADVANCEMENT



LEFT TO RIGHT: JASMINE HUDSON, NEW BRIDGE RESIDENT; MIRANDA CARIAGA, NURSING STUDENT AND ALAN AND RUTH STEIN EDUCATIONAL ASSISTANCE PROGRAM RECIPIENT

Since its inception, BRIDGE has believed that an apartment with an affordable rent should be a stepping stone for family advancement. That's why we integrate housing with programs and services that give our residents opportunities to increase their education, build skills for better jobs and even plan for homeownership.

BRIDGE often partners with leading service providers to identify and deliver appropriate programs. Through these local agencies, we can provide resources that are most important to our residents, including English as a Second Language classes, credit counseling and financial management classes, computer training, and after-school programs and homework clubs.

BRIDGE also operates the Alan and Ruth Stein Educational Assistance Program, now in its 10th year. The program provides BRIDGE residents with a critical resource for pursuing their career

goals and building greater economic security for themselves and their families. Since 2001, the program has provided more than 100 financial awards to outstanding women and men whose career aspirations are as diverse as their ages, ethnicities and cultural backgrounds. These grants are making a critical difference, providing residents with the resources to pursue a financially secure career.

Recent award recipient Rose Baty has three children and works part-time as a medical assistant in a hospital surgery department. Her love of biology and chemistry has led her to pursue a B.S. towards a career as a forensic scientist. While it is a challenge to balance work, school and family, Ms. Baty says she is teaching her children that "through hard work and persistence, nothing is impossible."