

Bending the Cost Curve on Affordable Rental Development

Cynthia A. Parker

President & CEO, BRIDGE Housing

Mission Statement

BRIDGE Housing strengthens communities and pursues its goals of **quality**, **quantity** and **affordability** by developing, owning and managing homes for working families and seniors.

What We Do

- Real estate development
- Property management
- Asset and portfolio management
- Resident and community services



BRIDGE Housing Results

- 14,000+ homes and apartments
- 85+ communities
- 37,000 residents
- California and the Pacific Northwest

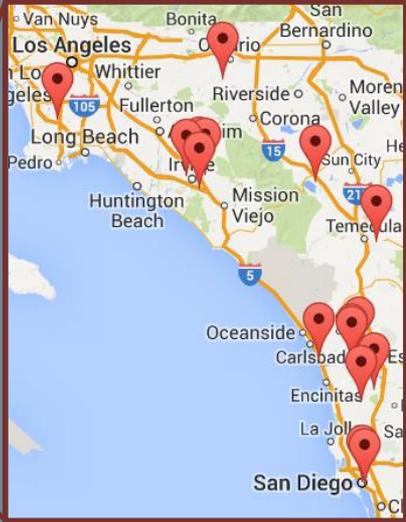
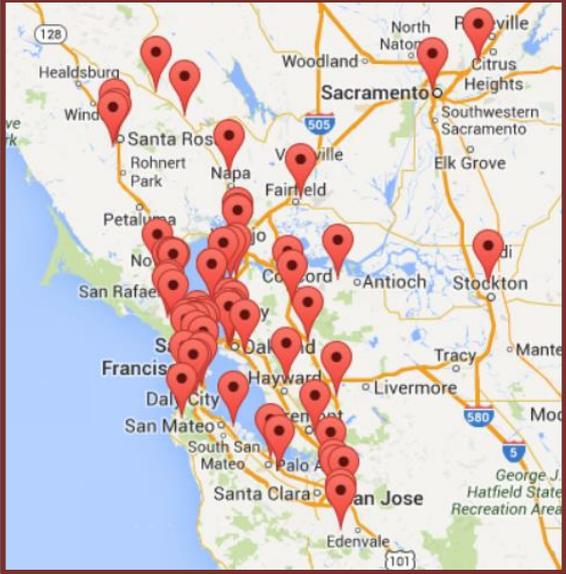


Size and Scope

- 80 projects asset managed (8,300 homes)
- 62 projects property managed (5,700 homes)
- Over \$1 billion in pre-development or construction activity
- Offices in San Francisco, San Diego, Orange County, Portland
- ~415 employees



Geographic Footprint

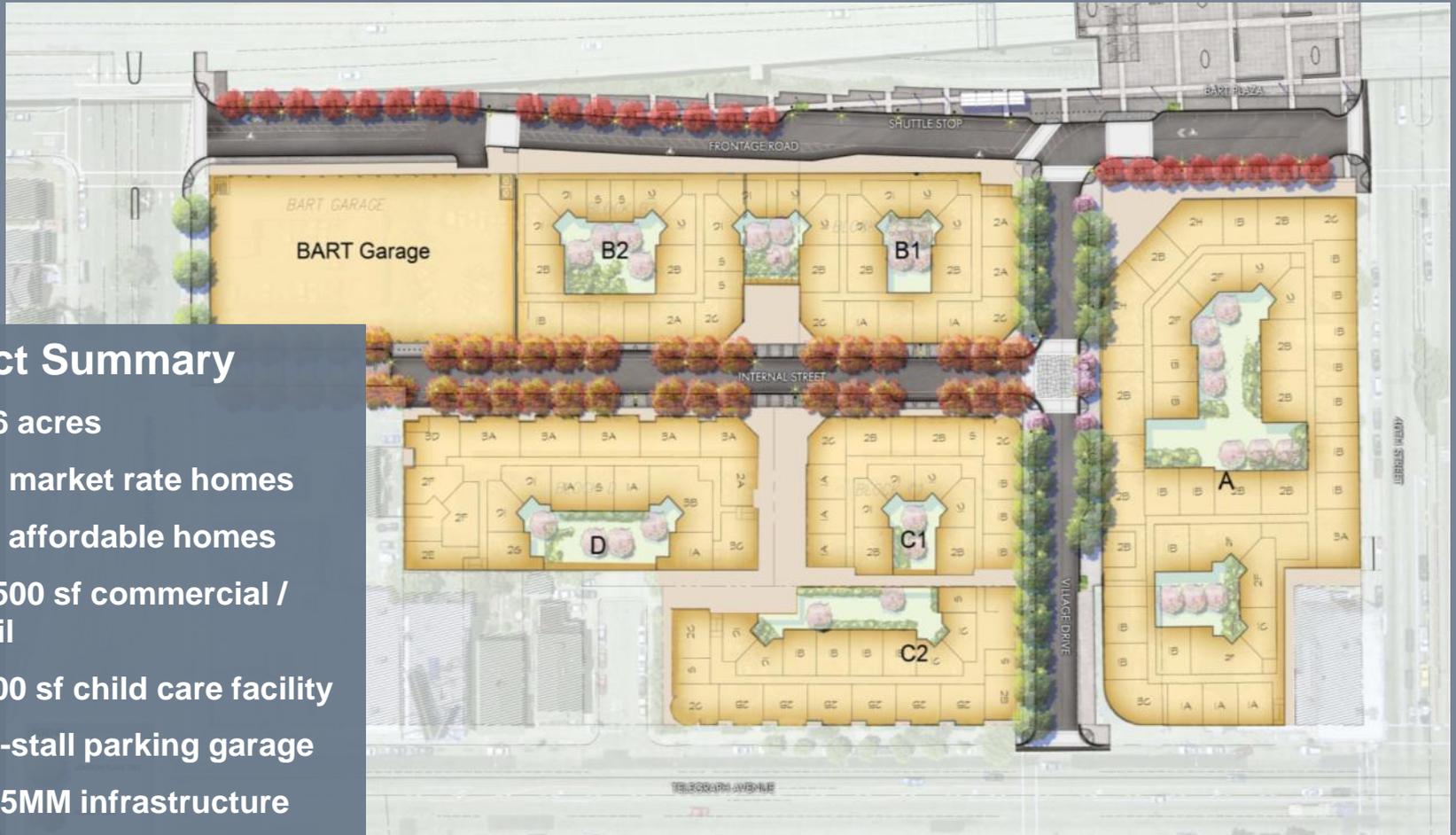


High Costs in Competitive Markets

- Provides huge public benefit
- BUT high construction costs
- Prevailing wage / project labor agreements
- Large mixed-use TODs = infrastructure costs



MacArthur Station, Oakland



Project Summary

- 7.76 acres
- 516 market rate homes
- 108 affordable homes
- 42,500 sf commercial / retail
- 5,000 sf child care facility
- 480-stall parking garage
- \$51.5MM infrastructure cost

COMM22, San Diego



Project Summary

- 4 acres
- 130 family apartments
- 70 senior apartments
- Day care facilities
- Market-rate live/work lofts
- Commercial, retail, office
- Significant infrastructure upgrades
- \$84.4MM (infrastructure, family, senior)

Fell Street Apartments, San Francisco



Project Summary

- 82 family apartments
- \$17MM renewal project
- Aging building systems replaced
- 600 new windows
- Solar hot water and solar electric
- Ready for 20 more years

Other Factors that Drive Cost

- Construction type
- Market conditions
- Regulatory oversight and compliance
- Complexity of financing
- Cost of single asset, usually LIHTC financing
- Resident hire provisions (Potrero, Jordan Downs)
- **Costs for BRIDGE projects now in construction range from \$274 to \$495 per s.f.**

Celadon at 9th & Broadway: Sources

| SOURCE OF FUNDS | 4% | 9% | TOTAL |
|-----------------------------|-------------------|-------------------|-------------------|
| First Mortgage | 1,595,000 | - | 1,595,000 |
| Secord Mortgage - MHP | - | 10,000,000 | 10,000,000 |
| Third Mortgage - City | 19,311,213 | 2,561,787 | 21,873,000 |
| Fourth Mortgage - CalHFA | - | 2,812,150 | 2,812,150 |
| GP Equity | 700,000 | 200,000 | 900,000 |
| Limited Partner | 16,975,997 | 20,151,018 | 37,127,015 |
| TOTAL SOURCES (perm) | 38,582,210 | 35,724,955 | 74,307,165 |



Celadon at 9th & Broadway: Uses

| PROJECT COSTS | 4% | 9% | TOTAL |
|------------------------------------|-------------------|-------------------|-------------------|
| Direct | 27,758,142 | 25,404,144 | 53,162,286 |
| Indirect | 3,037,585 | 2,700,288 | 5,737,873 |
| Financing | 1,700,660 | 2,031,186 | 3,731,846 |
| Permits/Impact Fees | 2,061,634 | 1,946,945 | 4,008,579 |
| Developer Fee/Audit/Soft Cost Cont | 2,964,789 | 1,826,811 | 4,791,600 |
| Marketing/Rent Up/Furnishings | 437,800 | 801,417 | 1,239,217 |
| Reserves | 621,600 | 1,014,164 | 1,635,764 |
| TOTAL DEVELOPMENT COST | 38,582,210 | 35,724,955 | 74,307,165 |

Tale of Two Developments

- Pottery Court, 113 homes in Lake Elsinore
 - \$208K per door
- Natoma, 60 homes in San Francisco
 - \$500K per door



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