

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

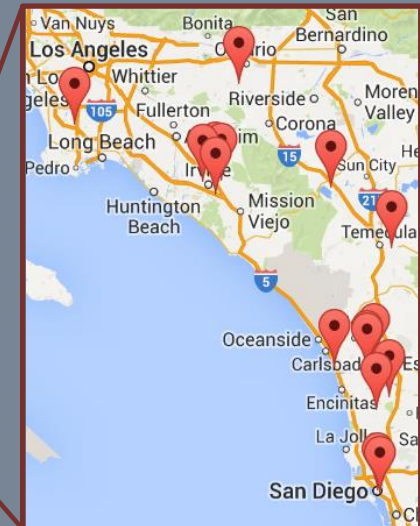
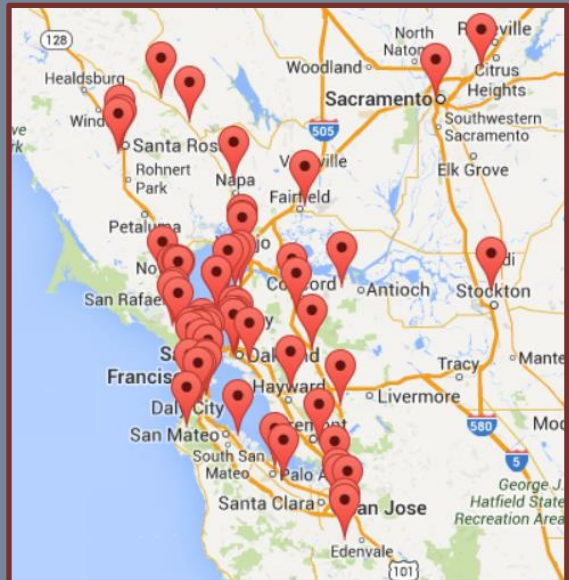


Size and Scope

- 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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