

**CTCAC ALLOCATION PROCESS FOR SET ASIDES AND GEOGRAPHIC REGIONS**  
Estimated as of July 11, 2012

**Step 1 - Calculate Total Federal Credit Ceiling (1)**

|                                     |                   |                   |                     |
|-------------------------------------|-------------------|-------------------|---------------------|
|                                     | <i>Per Capita</i> | <i>Population</i> |                     |
| New Population Based Credits        | \$2.20            | 37,691,912        | \$82,922,206        |
| Forward Committed 2011 Credit       |                   |                   | (\$2,858,188)       |
| Available Returned Credit           |                   |                   | \$566,623           |
| <b>Total Federal Credit Ceiling</b> |                   |                   | <b>\$80,630,641</b> |

**Step 2 - Determine Set Asides (2)**

| Set Asides (a)                 | %          | Annual Set Aside    | Round 1 Set         | Credits Awarded     | Round 2 Set         |
|--------------------------------|------------|---------------------|---------------------|---------------------|---------------------|
|                                |            | Amount              | Aside Amount        | From Round 1        | Aside Amount        |
| <b>Nonprofit</b>               | <b>10%</b> | <b>\$8,063,064</b>  | <b>\$4,031,532</b>  | <b>\$4,103,431</b>  | <b>\$3,959,633</b>  |
| <b>Rural</b>                   | <b>20%</b> | <b>\$16,126,128</b> | <b>\$8,063,064</b>  | <b>\$8,223,994</b>  | <b>\$7,902,134</b>  |
| <i>RHS Apportionment</i>       | 14%        | \$2,257,658         | \$1,128,829         | \$1,594,080         | \$1,106,299         |
| <i>Other</i>                   | 86%        | \$13,868,470        | \$6,934,235         | \$6,629,914         | \$6,795,835         |
| <b>At-Risk</b>                 | <b>5%</b>  | <b>\$4,031,532</b>  | <b>\$2,015,766</b>  | <b>\$2,197,511</b>  | <b>\$1,834,021</b>  |
| <b>Special Needs/SRO</b>       | <b>4%</b>  | <b>\$3,225,226</b>  | <b>\$1,612,613</b>  | <b>\$1,796,503</b>  | <b>\$1,428,723</b>  |
| <b>Supplemental Set Aside*</b> | <b>3%</b>  | <b>\$2,418,919</b>  | <b>\$0</b>          | <b>\$0</b>          | <b>\$2,519,464</b>  |
| <b>Total Set Asides</b>        |            | <b>\$33,864,869</b> | <b>\$15,722,975</b> | <b>\$16,321,439</b> | <b>\$17,643,975</b> |

**Step 3 - Determine Geographic Apportionments (3)**

|   |                       |                      |
|---|-----------------------|----------------------|
|   | <b>Federal Annual</b> | <b>State Total</b>   |
| <b>Total Credit Ceiling</b>                             | <b>\$80,630,641</b>   | <b>\$101,876,737</b> |
| <i>Less Set-Asides (not including Returned Credits)</i> | (\$33,864,869)        |                      |
| <i>Less State Credits for 4% Competitive Projects</i>   |                       | (\$15,281,511)       |
| <b>Credit Ceiling Balance to Geographic Regions</b>     | <b>\$46,765,772</b>   | <b>\$86,595,226</b>  |

| Apportionments by Region    | %    | Annual Federal |                    | Annual Adjusted Credit (b) | Available                   | Credit Awarded From Round 1 | Estimated                       |
|-----------------------------|------|----------------|--------------------|----------------------------|-----------------------------|-----------------------------|---------------------------------|
|                             |      | Credit         | Total State Credit |                            | Adjusted Credit For Round 1 |                             | Adjusted Credit for Round 2 (c) |
| Los Angeles County          | 33%  | \$15,432,705   | \$28,576,425       | \$18,290,347               | \$9,653,725                 | \$9,662,904                 | \$9,135,995                     |
| Central Region              | 10%  | \$4,676,577    | \$8,659,523        | \$5,542,529                | \$2,514,585                 | \$2,676,707                 | \$2,609,143                     |
| North and East Bay Region   | 10%  | \$4,676,577    | \$8,659,523        | \$5,542,529                | \$3,337,228                 | \$3,661,521                 | \$2,446,972                     |
| San Diego County            | 10%  | \$4,676,577    | \$8,659,523        | \$5,542,529                | \$2,801,663                 | \$1,560,676                 | \$6,011,061                     |
| Inland Empire Region        | 8%   | \$3,741,262    | \$6,927,618        | \$4,434,024                | \$2,260,803                 | \$1,967,344                 | \$2,510,471                     |
| Orange County               | 8%   | \$3,741,262    | \$6,927,618        | \$4,434,024                | \$1,936,073                 | \$2,092,257                 | \$2,060,828                     |
| South and West Bay Region   | 6%   | \$2,805,946    | \$5,195,714        | \$3,325,518                | \$1,921,463                 | \$1,756,651                 | \$1,827,571                     |
| Capital and Northern Region | 6%   | \$2,805,946    | \$5,195,714        | \$3,325,518                | \$2,084,567                 | \$2,158,848                 | \$1,908,883                     |
| Central Coast Region        | 5%   | \$2,338,289    | \$4,329,761        | \$2,771,265                | \$1,190,706                 | \$972,229                   | \$1,604,109                     |
| San Francisco County        | 4%   | \$1,870,631    | \$3,463,809        | \$2,217,012                | \$3,391,582                 | \$1,937,000                 | \$2,563,088                     |
|                             | 100% | \$46,765,772   | \$86,595,226       | \$55,425,295               | \$31,092,395                | \$28,446,137                | \$32,678,119                    |

Note: All numbers in *(italics bracketed with parens)* are negative numbers.

\* Supplemental Set-Aside includes federal credits returned after February 1, 2012.

(a) State credit allocated to projects in the set-asides is taken from the geographic apportionment, and any awards made in these set-asides will reduce the appropriate geographic set-aside's total credit available.

(b) The Adjusted Credit amounts are calculated as follows: (Annual Federal Credit x10 + Total State Credit)/10.

(c) Estimated Adjusted Credit for Round 2 totals were calculated as follows: (available amount in round 1 - credit awarded from round 1) + (the adjusted annual credit x 50%). The totals for San Diego County and the Capital and Northern Region include full credit awards returned after February 1, 2012.

(1) "Credit Ceiling is defined at 10302 (j) to include all elements shown below, following Ceiling definition in IRS Code Section 42.

(2) Health and Safety Code part 50199.2 establishes Rural Set Aside at "...20 percent of the federal ceiling." TCAC Regs Part 10315 also defines Set-Asides with reference to a given percentage of the "Federal Credit Ceiling".

(3) Similar language applies to Geographic Apportionments in Regs part 10315(k).

**CALCULATION OF STATE TAX CREDIT CEILING AND HOUSING TYPE GOALS**

**Step 4 - Calculate State Credit Ceiling**

|  |                      |
|--|----------------------|
| Statutory Base State Credit Number               | \$70,000,000         |
| Plus State Credit CPI Adjustment                 | \$20,217,247         |
| 2012 Calculated State Tax Credits Available      | \$90,217,247         |
| Plus Carry Forward of Prior Year's Credits       | \$17,650,991         |
| Less Advance Allocations in Prior Year           | (\$8,186,779)        |
| Plus Returned Credits                            | \$2,195,278          |
| <b>Total State Tax Credit Available for 2012</b> | <b>\$101,876,737</b> |

**Step 5 - Calculate Bond Financed Project Set Aside**

|                        | <b>Set Aside<br/>Percentage</b> | <b>Set Aside<br/>Amount</b> |
|------------------------|---------------------------------|-----------------------------|
| Bond Financed Projects | 15%                             | \$15,281,511 *              |
| Other (9%) Projects    | Balance of Total                | \$86,595,226                |
| <b>Total</b>           |                                 | <b>\$101,876,737</b>        |

**Step 6 - Calculate Housing Type Goals, Federal & State Tax Credits**

|   |                        |
|---|------------------------|
| <b>Total Federal Tax Credit Ceiling (Annual Amount Multiplied By Ten)</b> | <b>\$806,306,410</b>   |
| <b>State Credit Ceiling After Set Aside for Bond Projects</b>             | <b>\$86,595,226</b>    |
| <b>Total Stated As Annual</b>   | <b>\$89,290,164</b>    |
| <b>Total Stated As Annual</b>   | <b>\$89,290,164</b>    |
| <b>Total Awarded in Round 1</b>   | <b>\$46,321,581</b>    |
| <b>Total Available for Round 2</b>  | <b>\$45,388,656 **</b> |

| <b>Housing Type Goals</b> | <b>Type</b>   | <b>Percentage</b> | <b>Annual</b> | <b>Round 1</b> | <b>Round 2</b> |
|---------------------------|---------------|-------------------|---------------|----------------|----------------|
|                           | Large Family  | 65%               | \$58,038,606  | \$29,019,303   | \$29,502,626   |
|                           | SRO           | 15%               | \$13,393,525  | \$6,696,763    | \$6,808,298    |
|                           | At Risk       | 5%                | \$4,464,508   | \$2,232,254    | \$2,269,433    |
|                           | Special Needs | 15%               | \$13,393,525  | \$6,696,763    | \$6,808,298    |
|                           | Seniors       | 15%               | \$13,393,525  | \$6,696,763    | \$6,808,298    |

\* Does not include available State credits from tax exempt bond financed projects returned after February 1, 2012 (\$1,789,147).

\*\* Includes Federal and State credits from 9% projects returned after February 1, 2012.