

3518 COMPLIANCE

- 3518.1 If the Mayor's delegee determines that the land trust is not in substantial compliance with the Act, the Plan, the land trust agreement, or this chapter, the Mayor's delegee shall provide written notice of such noncompliance to the land trust.
- 3518.2 If a federal entity or other investor defaults any portion of the loans, grants, or equity investments provided to the land trust, such default shall be considered substantial noncompliance with this chapter.
- 3518.3 Within thirty (30) days after receiving a written notice of noncompliance from the Mayor's delegee, the land trust shall submit a written plan ("corrective plan") describing in detail the steps that will be taken to correct all events of noncompliance identified by the Mayor's delegee.
- 3518.4 Within thirty (30) days after the Mayor's delegee receives the corrective plan, the Mayor's delegee shall accept or reject the corrective plan.
- 3518.5 If the land trust fails to submit a corrective plan, the Mayor's delegee rejects the corrective plan, or the land trust fails to take the steps detailed in the corrective plan approved by the Mayor's delegee, the Mayor's delegee may require the land trust to:
- (a) Transfer to another 501(c)(3) organization all rights, including rights to first refusal and rights to enforce deed restrictions, for a percentage of land trust financings equal to the District proportion, as defined in paragraph (b) of this subsection ; and
 - (b) Transfer to another 501(c)(3) organization assets with a value equal to the total assets of the land trust multiplied by the proportion of the outstanding financial investment made by the District to the outstanding audited financial investment, including debt and equity, by private lenders and investors (for example the ratio of the anticipated initial investment by the District of ten million dollars (\$10,000,000) to the anticipated initial investment by lenders and investors of sixty-five million dollars (\$65,000,000) would be 1 to 6.5) ("District proportion"), to the extent that the transfer shall not compromise the rights or legal interests of the New Markets Tax Credits investors and allocatees.

SOURCE: Final Rulemaking published at 55 DCR 7931 (July 25, 2008).