

THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

February 23, 2022

**Recommendation to Rescind Federal 9% Tax Credits and State Tax Credits Allocated to
CA-20-056 San Mateo Senior Project for Failure to Maintain Site Control**

Action Item

Agenda Item No. 4

ACTION:

CTCAC is requesting Committee approval to rescind tax credits awarded to a project that did not maintain site control.

DISCUSSION:

The CA-20-056 San Mateo Senior Project was awarded \$2,464,934 in Federal 9% Tax Credits and \$1,293,984 in State Low-Income Housing Tax Credits in 2020. The project was issued a carryover allocation of both Federal and State Tax Credits in December 2020.

A Project must maintain site control, per CTCAC Regulations Section 10328(d)(2), which states “In addition to the requirements of the Internal Revenue Code, to receive a carryover allocation an applicant shall provide evidence that applicant has maintained site control from the time of the initial application and, if the land is not already owned, will continue to maintain site control until the time for submitting evidence of the land’s purchase.”

CTCAC was contacted by the agent, who represents the seller of the project, and was told that the purchase contract is no longer in effect and the owner confirmed the lapse of site control.

The Carryover Allocation document (Page 4 under iv) states that CTCAC may rescind the credits if CTCAC requirements are not met. Therefore, this is being referred to the Committee.

RECOMMENDATION:

Staff recommends that the tax credits allocated to CA-20-056 San Mateo Senior Project be rescinded for failure to maintain site control and returned to the geographic region.