



March 2, 2010

The Honorable Mary L. Landrieu
United States Senate
Washington, DC 20510-1804

Dear Senator Landrieu:

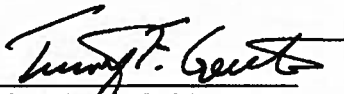
Thank you for your letter of February 25, 2010, regarding the extension of the Gulf Coast Opportunity Zone (GO Zone) Low Income Housing Tax Credit (LIHTC) placed-in-service date. Please be assured that the Administration understands the critical need for the extension of the GO Zone tax credits, and also the negative impact that failing to extend the credits would have on New Orleans and other communities impacted by Hurricanes Katrina and Rita as they continue recovery efforts. You should also be assured that the Administration supports an extension of 2 years to December 31, 2012, of the GO Zone placed-in-service date and is committed to working with Congress to see that the extension is enacted as soon as possible.


As you mentioned in your letter, the economic activity spurred by the GO Zone credits has played an important stimulative role in the rebuilding of the Gulf Coast. These tax credits have fostered development in devastated areas and have enabled the return of people who love their communities and who are the drivers of local economies throughout the Gulf Coast. GO Zone projects have created jobs and stimulated the economic recovery in these areas. In New Orleans, specifically, the tax credits have played a central role in leveraging the financing needed to complete the rebuilding of the Big Four public housing developments: St. Bernard, C.J. Peete, Lafitte, and B.W. Cooper. The revitalized developments have not only spurred activity surrounding construction and will restore essential affordable housing, but have also encouraged the establishment of new businesses and improved civic life around these developments.

Since the beginning of the Administration, President Obama, Vice President Biden, Dr. Jill Biden, 13 other members of the Cabinet, and numerous agency heads, assistant secretaries, and other senior level administration officials have visited New Orleans and the wider Katrina- and Rita-impacted area to see firsthand the scale of the recovery challenges that remain. Our respective agencies have made significant investments of staff and funding to support the recovery efforts. Many of these programs continue to provide meaningful resources to disaster survivors and the communities being rebuilt. Through these visits, we have come to recognize the dire impact that failing to extend this tax credit would have on Gulf Coast communities and individual families, many of whom were the hardest hit by Hurricanes Katrina and Rita and the recent recession. Not extending the GO Zone placed-in-service date would result in a major setback for the recovery, and would impact public housing residents, business, and communities. It would be unconscionable to let the work that has created so much progress, and so much hope, go unfulfilled.

We will continue to urge members of Congress to extend the GO Zone placed-in-service date and stand firmly behind such an extension. We are confident that with your help we will see the extension signed into law, and with it, continued economic activity and community revitalization in the Katrina affected Gulf Coast.

Sincerely,


Timothy F. Geithner
Secretary of the Treasury


Shaun Donovan
Secretary of Housing and Urban Development