

CITY OF NEW ORLEANS
RAY C. NAGIN, MAYOR

May 28, 2009

The Honorable Timothy Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Geithner:

I write to request that the Treasury Department reconsider the ruling against the monetization of Gulf Opportunity Zone (GO Zone) Tax Credits as part of the Low Income Housing Tax Credit Exchange Program under Section 1602 of the American Recovery and Reinvestment Act of 2009,

Hurricane Katrina caused major damage to or destroyed over 51,000 units of rental housing in New Orleans. Nearly 38,000 of these units were affordable to persons earning less than 80% of AMI. GO Zone Tax Credits have played, and I hope will continue to play, a vital role in the ongoing recovery of the rental housing market in New Orleans. If these credits are not included in the exchange program, GO Zone and Disaster credit projects that have not yet been completed, or have collapsing or failed syndications, will be adversely affected.

New Orleans' current project pipeline includes the following:

2,074 units placed-in-service = \$20,297,058 in tax credits
2,058 units are under construction = \$18,891,820 in tax credits
2,319 units have closed their transactions = \$33,218,634 in tax credits
1,257 units have not closed their transactions = \$20,615,310 in tax credits

Approximately 5,634 units or \$72,725,764 in GO Zone tax credit projects that are not yet placed- in-service are at risk.

If the Treasury Department's ruling remains unchanged, it will add a roadblock to recovery efforts in New Orleans and potentially prevent thousands of families from finding an affordable, safe place to live.

Thank you for your time and consideration of this urgent matter. If you have any questions, please do not hesitate to contact Austin Penny, our Chief Operating Officer, Office of Recovery and Development Administration.

Sincerely,

C. Ray Nagin

C: New Orleans City Council