

**BOBBY JINDAL**  
GOVERNOR



**PAUL W. RAINWATER**  
COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
Office of the Commissioner

The Honorable John Boehner  
Speaker of the House of Representatives  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Harry Reid  
Majority Leader of the Senate  
United States Senate  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Minority Leader of the House of Representatives  
United States House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Minority Leader of the Senate  
United States Senate  
Washington, D.C. 20510

March 29, 2011

Dear Senator Reid, Senator McConnell, Speaker Boehner and Representative Pelosi,

I write you regarding an extension of the placed-in-service deadline for affordable housing developments in the Gulf Opportunity (GO) Zone, created in the aftermath of widespread destruction from Hurricanes Katrina and Rita, which increased the need for affordable housing, especially in Louisiana. GO Zone low-income housing tax credits continue to be vital to ongoing efforts to restore these lost units. However, the difficult economic conditions of the past several years have prevented many of these projects from moving forward at the pace necessary to meet the current placed-in-service deadline of January 1, 2012.

Overall, Congress provided the impacted states (Louisiana, Mississippi, and Alabama) a total allocation of \$323 million in low-income housing tax credits to rebuild from the 2005 storms. To date, 29 projects using \$51 million in GO Zone Low Income Housing Tax Credits have yet to be placed-in-service and may not be able to do so by the end of 2011. Without an additional one-year extension, nearly 3,000 Gulf Coast units are unlikely to be completed, placing thousands of construction-related and permanent jobs in jeopardy. The loss of more than \$582 million in economic activity – to the construction industry, suppliers, developers and others – would be a major blow to the Gulf Coast region at this critical time in our recovery.

These developments include 2,230 units in Louisiana and include key projects from the Housing Authority of New Orleans (HANO) – specifically B.W. Cooper and Lafitte public housing sites, which are crucial to redevelopment in the New Orleans area. In particular, HANO received almost \$500 million in Federal funds to redevelop 2,000 apartments in the four biggest public

housing developments in the city (B.W. Cooper, Lafitte, St. Bernard, and C.J. Peete). It is my understanding the approximately 878 of the remaining 2,230 units in Louisiana are part of the “Big Four”. The Big Four also has approximately \$17.2 million – more than 50 percent – of the remaining \$33.4 million of unused GO Zone tax credits in Louisiana.

Last December, a bi-partisan coalition helped get in place a one-year extension – through January 1, 2012 – as part of the Public Law 111-312. Without an additional extension through the end of 2012, I am concerned investors will shy away from these credits out of fear they will expire before they can be utilized. Developers, particularly of larger-scale projects such as Lafitte and B.W. Cooper, will struggle to complete these projects within the shortened one-year timeframe.

As the Congress prepares to consider various pieces of tax-related legislation, I write to request your support to quickly pass stand alone legislation resolving this issue once and for all.

The recovery of south Louisiana and the Gulf Coast can serve as an important model for other areas hit by catastrophic disasters. Securing the placed-in-service extension will serve as the fulfillment of our collective promise to bring Gulf Coast families home and rebuild smarter, more resilient communities. Thank you for your continued work on behalf of families and communities throughout Louisiana and the Gulf Coast and for your consideration of this request.

Sincerely,



Paul W. Rainwater

Louisiana Commissioner of Administration

Cc:

Honorable David Vitter  
Honorable Mary Landrieu  
Honorable Charles Boustany  
Honorable Cedric Richmond  
Honorable Rodney Alexander  
Honorable Bill Cassidy  
Honorable John Flemming  
Honorable Steve Scalise  
Honorable Jeff Landry