



New Orleans District 5 Neighborhood Recovery Group

City Park Neighborhood Association

Lakeshore Property Owners' Association

Country Club Gardens Association

Lakeview Civic Improvement Association

Lake Vista Property Owners Association

Lakewood Property Owners Association

Parkview Neighborhood Association

May 25, 2006

Steering Committee

Martin Landrieu -- Chairman

Kelly Alfortish

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Charles Ciaccio

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Phil Costa

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Freddy Yoder

VIA FACSIMILE & U.S. MAIL

(202) 622-6415

Mr. Christopher Smith

Chief of Staff

Secretary of the Treasury

Department of the Treasury

1500 Pennsylvania Avenue NW

Washington, DC 20220

Dear Mr. Smith:

Our commission is writing on behalf of the more than 11,500 households in New Orleans which comprise the New Orleans District 5 Neighborhood Recovery Group (Lakeview, Lakeshore, Lake Vista, Parkview, Lakewood, City Park Neighborhood and Country Club Gardens). We have become aware of a program designed and funded by the federal government with the goal of contributing to the rebuilding of the flood ravaged areas. However, according to the definitions contained in the New Market Tax Credit Gulf Opportunity Zone Allocation (the "GO Zone Program"), our District 5 neighborhoods are not allowed to participate - not allowed to receive any of the monies provided by the federal government for recovery, despite being at the epicenter of the post-Katrina flooding. Because of the New Market Tax Credit Program's historical focus on low-income communities, without specific changes to the definition of "underserved populations" contained in the New Markets statute, capital raised in connection with the Go Zone Program may only be invested in low-income communities within the GO Zone. District 5 is not historically considered a low income community. That was, of course, pre-Katrina. The District 5 communities bear little economic resemblance to the communities described in the 2000 census.

We would submit that this funding could be put to no better use than in rebuilding the District 5 area of New Orleans, and that it is therefore unfair and unreasonable to block our neighborhoods from participation in the program for technical or historical reasons. District 5 consists of more than 11,500 households, more than 80% of whom have returned or who have present intentions of returning. But returning to what? We have no grocery stores. Not one. No drugstores; no gas stations; no laundries. A few restaurants and coffee shops have opened on the periphery, but only a few.

Committee Group Leaders

Communications/Community

Engagement - Glenn Stouder

Greenspace Recovery and

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Neighborhood Planning Team -

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Resources and Finances -

Brad Fortier

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When the residents who have actually returned are asked what their most serious concerns are, a significant portion has said their greatest concern was the lack of commercial services. We have lost our medical providers, consumer retail businesses, consumer and professional services and other businesses too numerous to mention. Commercial services are an essential part of a neighborhood. Lacking the commercial services, we do not have a functional neighborhood. Lacking a functional neighborhood, we are unable to persuade our residents to return. It is essential not only that the damaged businesses reopen, but that they reopen within the flood ravaged areas. For that, many appear to require an incentive. It appears to us that this situation is the precise scenario the Gulf Opportunity Zone was designed to address.

A second flood-caused problem which could be ameliorated by rebuilding the commercial base of our neighborhoods is the precarious financial situation of the City of New Orleans. Without businesses located within the city limits, New Orleans has lost sales tax income it relied on to provide essential city services. I don't need to go into the ramifications of this problem – they've been reported in the national news. Suffice it to say that the flight of business from the District 5 neighborhoods to the suburbs has harmed not only our neighborhoods, but the city as a whole.

It is essential to the recovery of our community and of New Orleans as a whole that the GO Zone tax credits be made available to prospective local businesses willing to locate within District 5. Consequently, we would appreciate your support for changing the definition of an eligible neighborhood to include the New Orleans District 5 Neighborhoods.

Sincerely,



Martin E. Landrieu
Chairman

Shannon Daigle
Community Outreach/Planning

MEL/hwd

cc: Senator Mary Landrieu
Congressman Bobby Jindal

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bcc: Ms. Shannon Daigle
Mr. Brad Fortier
District 5 Steering Committee