DeShano Development Corporation
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989-426-2521

April 25, 2016

Andrew Martin
Allocations Manager
M.S.H.D.A.
P.O. Box 30044
Lansing, Michigan 48909

Re: 2017-2018 Qualified Allocation Plan

Dear Mr. Martin,

Thank you for the opportunity to submit written comments pertaining to the proposed 2017-2018 Qualified Allocation Plan.

We would like to comment on a few items:

Increase in Total Development Costs

In our opinion, this section appears to penalize the developer/owner for cost overruns, which could be out of his/her control. Any cost overruns would create more of a deferred developer fee, or possibly owner equity. These are penalties themselves, so why penalize further?

Market Study

While we understand the need for market studies on new developments, we feel it somewhat redundant to pay for a market study on an existing project. Our suggestion would be if a project can provide documentation that supports an occupancy rate of at least a certain percentage over the previous, say 5 years, then a market study would not be required, or maybe a more simplified study would be needed. In simplified, we mean more simplified than the reduced scope study.

We also would like to suggest a lesser subsidy requirement for reduced scope studies. Possibly projects that have 50% rental subsidy in place, then those projects would qualify for a reduced scope study.

We appreciate your time in reviewing our comments.

Thank you,

Gary L. DeShano
President