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September 5, 2007

RECEIVED
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MSHDA-Legal

Ms. Mary P. Levine
Acting General Councel/Director of Legal Affairs
Michigan State Housing Development Authority
P.O. Box 30044
Lansing, MI 48909

RE: QAP

Dear Ms. Levine:

I believe it is a bad idea to eliminate the Preservation Set-Aside. A Preservation Set-Aside is needed to insure that these properties are not taken conventional. I don't understand why you have a section B. Threshold Requirements-Preservation Projects: if there is not a Set-Aside.

Why are you requiring that all applications be sent thru a delivery service? I like to drop off my applications in person. I have had many overnight packages lost or delayed due to delivery company errors. It takes 6 months of effort and at least $20,000.00 in soft costs per property to make an application. Why risk that effort and money if there could be a delivery company error?

Why are you limiting the number of applications per sponsor to two applications? I had 5 applications in the prior funding round and I don't know if I will get an award. I spent over $100,000.00 in soft costs to make those applications. It is bad enough that you are changing the market study requirements and no longer accepting environmental reports over 6 months old. I now have to spend more money to change these reports.

If I can put in only two applications than I have to chose from my 5 pervious applications which to submit. Ultimately, my options will expire and I will have wasted all my soft costs spent if I cannot compete in each of the next two funding rounds as I anticipated when I put these projects under contract. I suggest that you grandfather in any application that was previously submitted in the prior funding round, so that it is not counted as one of the two applications or drop this requirement completely. You allowed a number of projects back in to the lottery that had missing information in the last funding round that were correct in the prior funding round. Why not make the same gesture here to insure that developers are not waiting there money and effort do to a QAP change.

Why are you giving the City of Detroit a 50% holdback of credits? This is highly unfair and prejudicial to the rest of the State of Michigan. Every year many awards are given to properties in the City of Detroit. Therefore, there is no need for a 50% holdback.

Why are you requiring evidence of submission of applications for LIHTC from at least 3 equity investors? Is not one enough?

Thank you for reviewing these comments

Yours Truly,

B.A. Ludwig
Development Company,

Barry A. Ludwig, President