



VIA EMAIL FILING

Ashtabula County Board of Revision
25 West Jefferson Street
Jefferson, OH 44047

Re: Property Owner: Ashtabula Homes II LLC
Property Address: 5723 Nathan Avenue, et al, Ashtabula, OH
Permanent Parcel Number: 05-104-00-001-00

Dear Board Members:

Enclosed please find three copies of the Property Owner's Memorandum to be filed with the Board of Revision in connection with the above-captioned case which is scheduled for hearing on June 27, 2024. Please file the copies with the Board of Revision in your usual manner.

The Property Owner is requesting that the Board of Revision determine a value for the subject property as of January 1, 2023, based upon the information and supporting documents attached hereto.

Based upon the information, the Property Owner asserts that the subject property has a total fair market value as of January 1, 2023 of \$1,326,000. The total decrease asked for is \$808,900 in fair market value.

The Property Owner has attempted to supply all pertinent information to the Board of Revision for their consideration. If, after reviewing the information, the Board should determine that additional information is necessary, the Property Owner shall make all efforts to obtain any additional information that is in existence and supply it promptly to the Board.

Very truly yours,

BAUERNSCHMIDT LAW FIRM

Karen H. Bauernschmidt
Kelly W. Bauernschmidt

Enclosures

**PROPERTY OWNER'S
SUBMISSION OF DOCUMENTS,
BUSINESS RECORDS, AND
OPINION OF VALUE FOR:**

**PROPERTY OWNER:
ASHTABULA HOMES II LTD**

**PROPERTY ADDRESS:
5723 NATHAN AVENUE, ET AL.
ASHTABULA, OH**

**PERMANENT PARCEL NUMBERS:
051040000100, ET AL.**

**HEARING DATE:
JUNE 27, 2024**

**PROPERTY OWNER'S
SUBMISSION OF DOCUMENTS,
BUSINESS RECORDS, AND
OPINION OF VALUE FOR:**

**PROPERTY OWNER:
ASHTABULA HOMES II LLC
"Ashtabula Homes II"**

**PROPERTY ADDRESSES:
5723 Nathan Avenue, et al
Ashtabula, OH**

**PERMANENT PARCEL NUMBERS:
05-104-00-001-00 et al.**

The Property Owner requests that the 34 Complaints filed on Ashtabula Homes II LLC be heard together since the property, a scattered site LIHTC rental project is operated as one economic unit.

A) PROPERTY DESCRIPTION

The subject property is a scattered site LIHTC rental project that is located on 5723 Nathan Avenue, et al, in Ashtabula, Ohio. There are 34 individual land sites that range in size from .075 to .373 acres. Public utilities are available to the subject sites. Attached hereto is a location map, which further describe the location if the subject sites. **See Exhibit A.**

In 2003/2004, the subject sites were improved with a LIHTC single-family rental project. There are 34 rental homes. The residential buildings are one and two stories in height. The common name of the rental project is "Ashtabula Homes II." The exterior construction features include the following: vinyl sided with brick front exterior walls, wood framing, slab foundations or basements and pitched, shingled roofs. **See Exhibit B** for

photographs of the subject real property. The buildings are further described in the county's information. The list of parcels is set forth at **Exhibit C**.

There are a total of 34 rental units in the project. The suite breakdown includes: 10 three-bedroom, 1.5-bath units with 1,194 to 1,296 square feet and 24 four-bedroom, two-bath units with 1,366 to 1,447 square feet. The interior construction features include the following features: painted drywall walls, vinyl covered and carpeted floors, gas heat and central air conditioning. The tenants pay for own utilities. The utilities are separately metered. The Property Owner pays for maintenance, water, sewer and trash removal. Each suite also contains a stove, refrigerator, dishwasher and washer/dryer hookups. Thirty-eight units have an attached garage and two units have a detached garage.

The subject property has had the following physical vacancy:

Physical Vacancy

2021 – 1.6%

2022 – 4.7%

2023 – 10.3%

B) LOW-INCOME HOUSING TAX CREDIT (LIHTC) PROGRAM

The subject property is a Low-Income Housing Tax Credit ("LIHTC") project. In 1986, "The Low-Income Housing Tax Credit Program" was enacted by Congress. See Section 42 of the Internal Revenue Code of 1986, as amended. The purpose of the program was to provide residential housing for low-income and moderate-income residents. The program is administered by the Treasury Department (IRS) and is monitored in Ohio by The Ohio

Housing Finance Agency (OHFA). The rents charged to the tenants are restricted in the LIHTC program.

The restricted rent is set by utilizing a Federal Formula based upon a percentage (60% or lower) of Adjusted Median Income (as determined by HUD) for the specific designated area. In the formula, adjustments are made to reflect 30% of Adjusted Median Income, the number of persons (1.5 per bedroom) and for utility allowances. Once the rent is set on a Project, there can be no increases in rent until there is an increase in the Adjusted Median Income for the designated area. The rent restrictions on the subject property are for thirty (30) years. **See Exhibit D** for a copy of the Restrictive Covenant on the subject property.

The restricted LIHTC rents have been set for each of the units at the subject property by the federally mandated formula. **But for the federal tax credits, the subject property would not and could not have been built.**

C) INCOME APPROACH FOR LOW INCOME HOUSING TAX CREDIT RENTAL PROJECTS

In the income approach to valuation, the income stream of a property is capitalized into an estimate of market value. There are several factors that must be analyzed in determining the income stream. These factors are: rental income, vacancy factors, operating expenses and reserves for replacement.

The subject property is a LIHTC rental project. There are restrictive covenants, tax credits and restricted rents that are based upon a federal formula. Therefore, the subject property must be valued based upon an income approach to value. The use of a cost approach has been continuously rejected by the Ohio Supreme Court in valuing affordable housing projects.

The first decision relating to the valuation of LIHTC properties was the Ohio Supreme Court decision in *Woda Ivy Glen Ltd. P'ship. v. Fayette Cty. Bd. Of Revision*, 121 Ohio St.3d 175, 2009-Ohio-762. Later in the case of *Notestine Manor v. Logan Cty. Bd. Of Revision*, 2018-Ohio-2, the Ohio Supreme Court determined that the contract rent approach is appropriate when contract rents do not exceed generally available market rents. In the more recent BTA cases of *Frank Cook Senior Housing LP v. Muskingum Cty. Bd. Of Revision* (May 13, 2019) 2016-1043, *Buckeye Community Twenty One LP v. Muskingum Cty. Bd. Of Revision*, (May 20, 2019) 2016-1047, *Huron Senior Residence LLC v. Erie Cty. Bd. Of Revision*, (July 26, 2019) 2017-1603 and *Sylvania Senior Residence LLC v. Lucas Cty. Bd. Of Revision*, (July 26, 2019) 2017-2062 the BTA approved the use of restricted LIHTC rents in the income approach valuation of LIHTC rental projects.

R.C. Section 5713.031(C) has been amended to create a methodology to value federally subsidized apartments. Currently, the Department of Taxation is creating a Procedure to create an Affordable Housing Valuation Calculator. See **Exhibit E** for the current draft of OAC 5703-25-20. The Property Owner can challenge the statutory presumptive amounts set forth under Section 5713.031 by providing the actual income and expenses. OAC 5703-25-20 (B) (7).

Based upon the decisions set forth above and R.C. Section 5713.031(C), the Property Owner will review the presumptive income and expense amounts under R.C. Section 5713.031(C) as compared to the actual 2023 Income and Expenses of the subject property. Additionally, it must be noted that the new statute utilizes an income approach to value federally subsidized apartments in Ohio.

D) REVIEW OF ACTUAL FINANCIAL INFORMATION

Attached hereto are the financial statements for the subject real property for the tax years 2021, 2022 and 2023. **See Exhibit F.** Also attached hereto is a January 2023 Rent Roll which shows the tenancy and contract rent. **See Exhibit G.**

The actual income and expenses (exclusive of interest, depreciation and real estate taxes) have been as follows:

	2021	2022	2023
Income	\$306,320	\$292,784	\$272,350*
Expenses	\$126,442	\$140,463	\$129,163
Reserves	\$ 13,600	\$ 13,600	\$ 13,600
NOI	\$166,278	\$138,721	\$129,587

***EXCLUDES GAIN ON SALE OF ASSETS**

Utilizing the Affordable Housing Valuation Calculator – the Presumptive Statutory Income and expenses for the subject property for 2023 would be as follows:

The comparison of the two Income and Expenses and Pro Forma are set forth below:

Actual 2023 Income and Expenses	
Income	\$272,350
Expenses	\$129,163
Reserves	\$13,600
Net Income	\$129,587
Cap Rate	8%
Tax Additur	1.77%
Total Cap Rate	9.77%

Valuation	\$1,326,377 say \$1,326,000
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Presumptive 2023 Income and Expenses	
Gross Potential Income—3 year average	\$298,834
Misc. Income	\$1,432
Total	\$300,266
4% Vacancy	\$12,011
3% Credit Loss	\$9,008
Income	\$289,247
Operating Expenses 48%	\$138,839
Utilities	\$5,841
Reserves at 5% of Income	\$14,462
Net Income	\$143,105
Cap Rate	8%
Tax Additur	1.77%
Total Cap Rate	9.77%
	\$1,464,739 say
Valuation	\$1,465,000

Based upon the foregoing, the Property Owner will proceed with preparing an Income Approach by reviewing both the Presumptive, and 2023 Actual Net Incomes. The Property Owner will be relying on the Actual 2023 Net Income. The actual 2022 Net Income was \$138,721 and the 2023 Actual Net Income was \$129,587. The presumptive statutory net

income was \$143,105. Support for the actual vacancy and credit loss can be found in the information prepared by the Ohio Housing Finance Agency. **See Exhibit H.** The December 2022 Ohio Housing Finance Agency LIHTC vacancy information reflects a physical vacancy of 3.74% statewide—this is for physical vacancy only. The actual operating expenses for the subject property were \$3,798 per unit in 2023. The presumptive statutory 2023 expenses were \$4,255 per unit. Further support for the Property Owner's expenses can be found in the operating expense information from the Ohio Housing Finance Agency, which reflects LIHTC December 2022 operating expenses of \$7,492 per unit statewide. **See Exhibit I.** Note that the expenses are exclusive of real estate taxes, debt service and depreciation. A Reserve for Replacement of \$400/per unit was utilized. Support for the reserves for replacement can be found in published data from Realty Rates. **See Exhibit J.**

WHEN THE “ACTUAL PERFORMANCE” DOES NOT MEET THE PRESUMPTIVE PERFORMANCE THE PROPERTY OWNER CAN UTILIZE THE ACTUAL PERFORMANCE OF THE PROPERTY. See R.C. 5713.031 (c)

F) RESERVE FOR REPLACEMENT

A Reserve for Replacement is a proper expense item, and has been recognized as such by the Ohio Supreme Court. See Freshwater v. Belmont Cty. Bd. of Revision, 58 Ohio St. 3d 140 (1991). The reserve was estimated at \$400 per unit for an annual reserve of \$13,600.

G) CAPITALIZATION RATE

The Property Owner reviewed national published capitalization rate data extracted from Investor's Surveys from Realty Rates. **See Exhibit K** for the Realty Rates' published chart on national capitalization rates. The 2023 published national capitalization rate for conventional apartments was 8.49% and 9.84% for a composite rate. At **Exhibit L** is a list of capitalization rates from sales of LIHTC properties in Ohio – these range from 6.22% to 14.41%. Based upon the foregoing, it was deemed appropriate to utilize an 8% capitalization rate, plus the real estate tax additur.

The real estate tax additur is calculated as follows:

R.E. Tax Additur
 $35\% \times .0505535 = 1.77\%$

Overall Capitalization Rate is 9.77%
 $(8\% + 1.77\% = 9.77\%)$

When the 3 year Average (2021-2023) Statutory Presumptive Net income of \$143,105 is capitalized by an overall rate of 9.77%, a fair market value of \$1,464,739 say \$1,465,000 is indicated as of January 1, 2023.

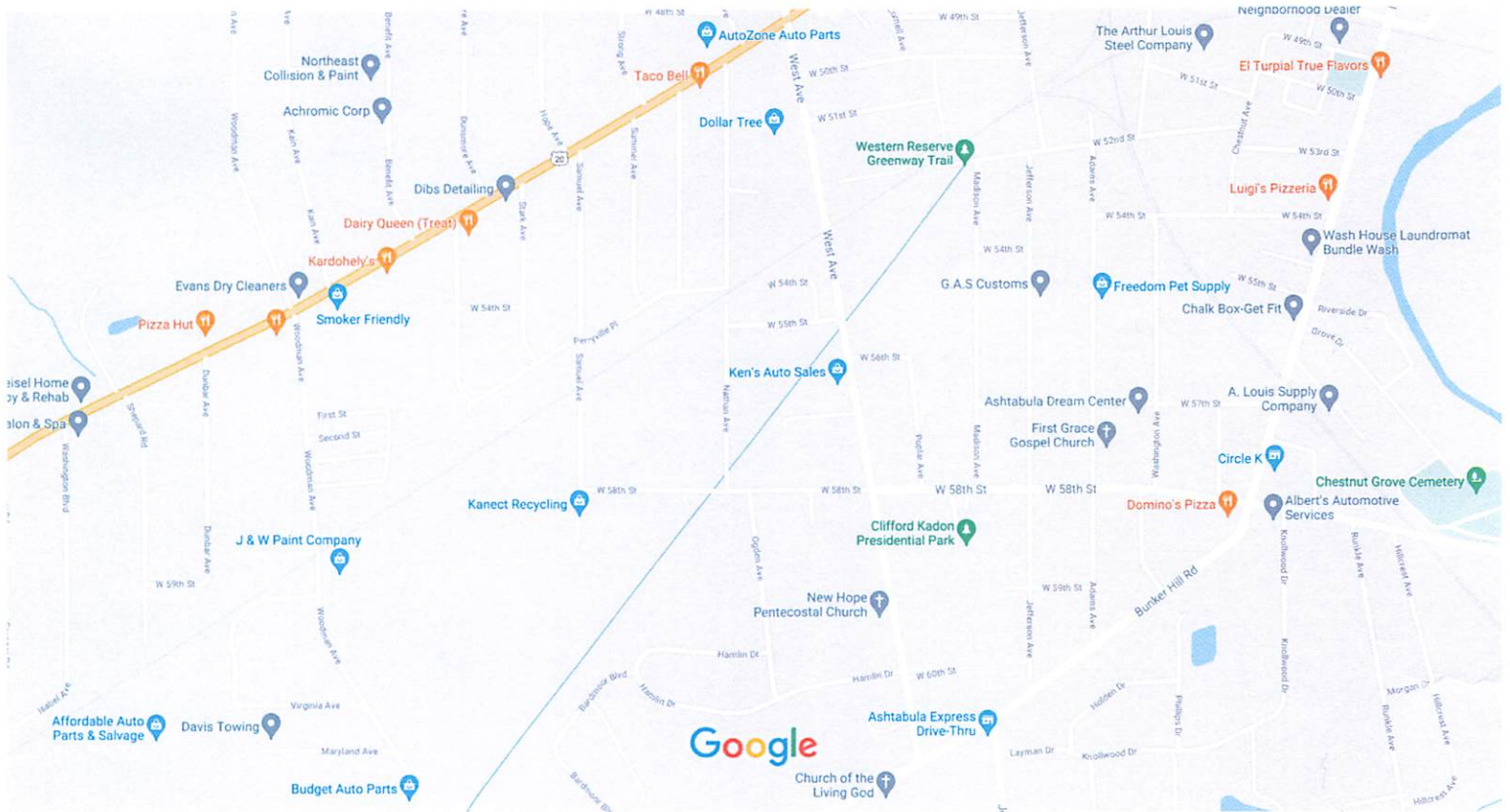
When the actual 2023 net income of \$129,587 is capitalized by an overall rate of 9.77%, a fair market value of \$1,326,377 say \$1,326,000 is indicated as of January 1, 2023.

H) VALUATION CONCLUSION

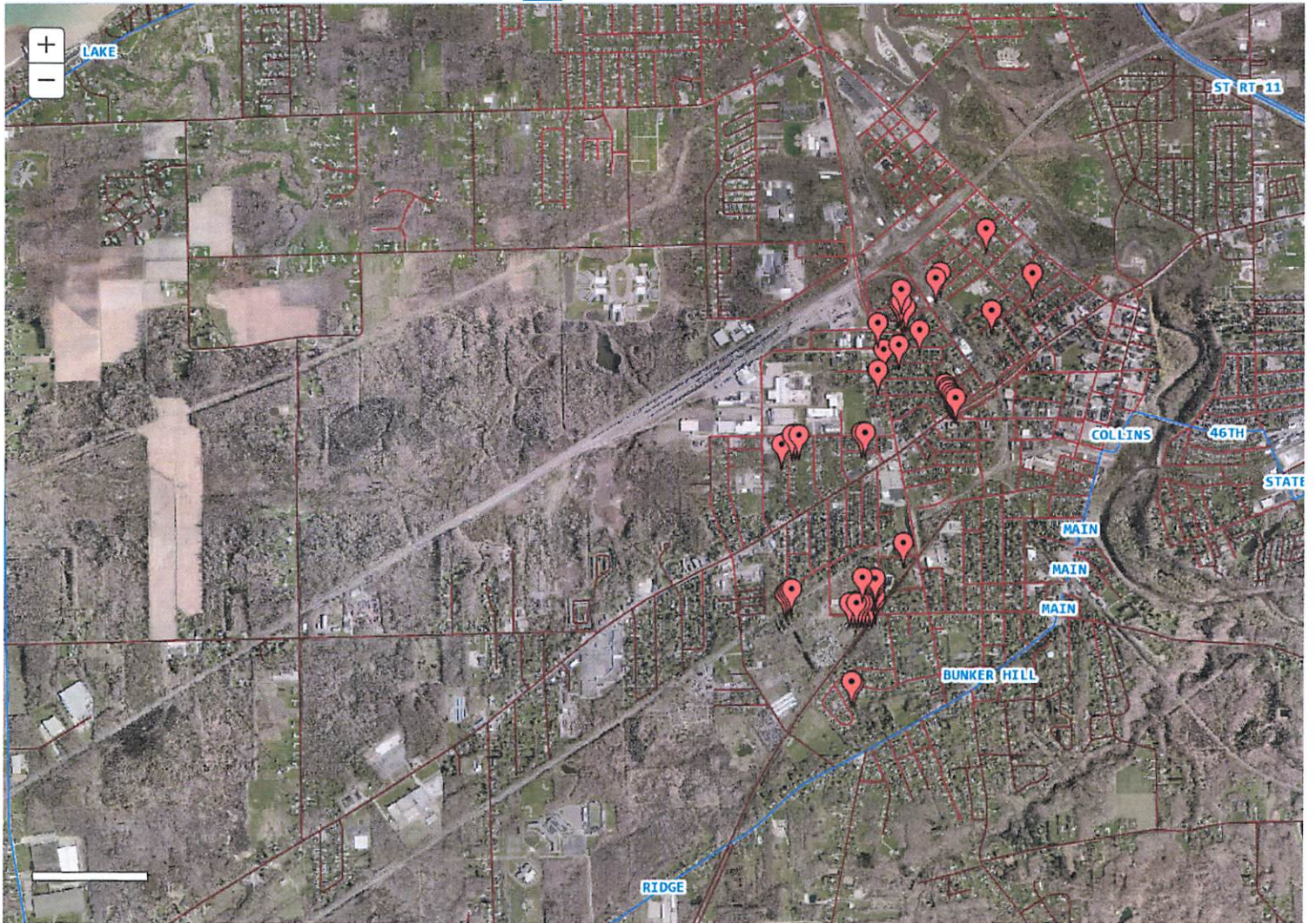
COUNTY'S 2023 VALUATION	-	\$2,134,900 (62,791/unit)
2023 INCOME APPROACH—ACTUAL	-	\$1,326,000
PRESUMPTIVE INCOME APPROACH	-	\$1,465,000
PROPERTY OWNER'S 2023 VALUATION	-	\$1,326,000

The 2023 County value is \$2,134,900 or \$62,791/ per unit. The current assessment is in excess of the fair market value of the subject real property. The subject property is a Low Income Housing Tax Credit Project, with restricted rents. Due to the restricted rents, restrictive covenant and economic conditions, the Property Owner contends that the value of the subject property should be \$1,326,000.

Based upon the foregoing, the Property Owner submits, as of January 1, 2023, that the subject property had a total fair market value of \$1,326,000. The total decrease asked for in fair market value is \$808,900.



Map data ©2021 500 ft



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PARID: 051040000102
NBHD: 80000
ASHTABULA HOMES II LLC

JUR: 04
ROLL: RP
1247 W 58TH ST

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051040000102 09/27/2012



09/27/2012 Front

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PARID: 051040000103
NBHD: 80000
ASHTABULA HOMES II LLC

JUR: 04
ROLL: RP
1241 W 58TH ST

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051040000103 09/27/2012



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PARID: 051040000104
NBHD: 80000
ASHTABULA HOMES II LLC

JUR: 04
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1235 W 58TH ST

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051040000104 09/27/2012



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1229 W 58TH ST

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PARID: 051040000106
NBHD: 80000
ASHTABULA HOMES II LLC

JUR: 04
ROLL: RP
1223 W 58TH ST

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PARID: 051040000107
NBHD: 80000
ASHTABULA HOMES II LLC

JUR: 04
ROLL: RP
1215 W 58TH ST

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051040000107 09/27/2012



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PARID: 051040000108
NBHD: 80000
ASHTABULA HOMES II LLC

JUR: 04
ROLL: RP
5727 NATHAN AVE

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051040000108 09/27/2012



09/27/2012 Front

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EXHIBIT

Restrictive Covenant

CONTINENTAL TITL

ORDER NO. 2841

This covenant, dated as of February 17, 2004, is made between Ashtabula Homes II LLC and its successors and assigns, (the "Owner") and the Ohio Housing Finance Agency, and/or other future Low-Income Housing Tax Credit allocation authority, (the "Agency") acting as the housing credit agency for the State of Ohio as described in Section 42(h)(3) of the Internal Revenue Code of 1986, as amended.

The Owner, in consideration of the receipt of the benefit of the Low-Income Housing Tax Credit authorized under Section 42 of the Internal Revenue Code of 1986, as amended, (the "Code") commencing with the taxable year ending on December 31, 2004, hereby agrees to the following restrictive covenants, which are made in satisfaction of the requirements contained in Section 42(h)(6) of the Code.

1. The 40 building(s), which will constitute a qualified housing project as defined in Section 42 of the Code and regulations promulgated thereunder, the rental unit(s) which will be rented or available for rental on a continuous basis to members of the general public, shall be known as Ashtabula Homes II (the "Project"), located at:

Address: Scattered Sites, Ashtabula, OH 44266

Legal Description and Parcel Number(s): See Exhibit A Attached

2. As a condition and in consideration of receipt of the Low-Income Housing Tax Credit, the Owner, for itself and all successors to the building(s) in the Project (or the low-income portion thereof), shall maintain the applicable fraction, as defined in Section 42(c)(1)(B) of the Code and stated in paragraph 3 below, of the Project as low income housing for the initial compliance period of fifteen (15) years, and for the extended use period of an additional fifteen (15) years, unless terminated after the end of the initial fifteen year period, in accordance with the provisions enumerated at Section 42(h)(6)(E) of the Code.

3. The applicable fraction, as defined in Section 42(c)(1)(B) of the Code (the smaller of the low-income unit fraction or the low-income floor space fraction), is 100.00%. This fraction shall not be decreased during any taxable year of the compliance or extended use period except in accordance with the provisions described herein.

4. In addition to meeting the minimum occupancy and rent restrictions of the Code, the Owner has elected to maintain the gross rents of: 25% of the low-income units at a level which is affordable to persons with incomes at or below 46% (60% or lower) of the area median gross income (AMGI), adjusted for family size. The rent for these units must be determined according to the procedures explained in Section 42(g)(2) of the Code, as amended, and must be maintained during the compliance period and any additional period committed to in paragraph 8 below.

This election may increase the rating of your project during the competitive review process.

75% of the low-income units at a level which is affordable to persons with incomes at or below 48% (60% or lower) of the AMGI, adjusted for family size.

0% of the low-income units at a level which is affordable to persons with incomes at or below 0% (60% or lower) of the AMGI, adjusted for family size.

(Note: The sum of percentages of low-income units must equal 100% and excludes any market rate units.)

5. The Owner agrees to limit occupancy of the units in the applicable fraction to:

_____ 50% of the area median gross income, adjusted for family size.

 X 60% of the area median gross income, adjusted for family size.

This income limit must be maintained during the compliance period and any additional period committed to in paragraph 8 below.

6. This covenant and the Section 42 occupancy and rent restrictions shall commence on the first day of the compliance period on which such building(s) is (are) placed in service as a qualified low income housing project, and ending on the date which is fifteen (15) years after the close of the initial fifteen year compliance period, unless terminated by foreclosure or instrument in lieu of foreclosure, pursuant to the provisions of the Code, and any regulations promulgated thereunder.

7. The extended use period shall terminate, subject to the provisions regarding low income tenancy and gross rent restrictions, on the date the building(s) is (are) acquired by foreclosure (or an instrument given in lieu of foreclosure), or on the last day of the one year period beginning on the date after the fourteenth (14th) year of the initial compliance period that the Owner submits a written request to the Agency to present a qualified contract (as defined at Section 42(h)(6)(F) of the Code) for the acquisition of the building(s), or the low income portion thereof, if, and only if, the Agency is unable to present within that year's time, a qualified contract from a purchaser who will continue to operate such building(s), or portion thereof, as a qualified low income project.

If the period terminates under this paragraph prior to its full term, then, in compliance with Section 42(h)(6)(E)(ii) of the Code, for a three year period after such termination, no low income tenant may be evicted, for other than good cause, nor may the gross rents for such unit be increased beyond that permitted under the Code and regulations promulgated thereunder.

8. This section is intended to make enforceable the extended use commitment, if any, which the Owner represented to the Agency in its application and which may have increased the rating of the Project during the competitive review process.

The Owner represents, warrants and covenants throughout the term of this agreement that it will waive its right to terminate the Section 42 low-income occupancy and gross rent restrictions pursuant to paragraph 7 above at the end of the fifteen (15) year compliance period and will extend these restrictions for an additional fifteen (15) years after the close of the fifteen year compliance period. This provision shall not be construed to extend and shall not extend the extended use period (as defined in Section 42(h)(6)(D)) with respect to any building in the Project and shall terminate on the date that any such building is acquired by foreclosure, or instrument in lieu of foreclosure, as provided in Section 42(h)(6)(E)(i)(I) of the Code or any successor provision thereto, and as explained above.

For those Owners that are proposing a lease-purchase project, and wish to sell the low-income unit(s) to eligible tenant(s) (as applicable, according to your minimum set-aside requirement election on IRS Form 8609 and your additional elections made in Section 4 of this Agreement) at the end of the fifteen (15) year compliance period, check the statement below:

 X The Owner is proposing a lease-purchase project and will follow the guidelines prescribed in Section 42(i)(7) of the Code.

The Agency will approve such proposal, and the Owner's waiver committed to above will terminate upon sale of the unit(s) to an eligible tenant. The Owner must continue to rent the unit(s), however, according to their commitment above, if the Owner cannot sell the unit(s) to eligible tenant(s) for any reason at the end of the fifteen (15) year compliance period.

9. This covenant shall constitute an "Agreement" between the parties which is enforceable in the courts of the State of Ohio by the Agency or by any individual(s), whether prospective, present, or former occupants of the Project, who meets the income limitations applicable to the Project under Section 42(g) of the Code, said individual(s) being an express beneficiary(ies) of this Agreement.

10. The Owner recognizes that it is prohibited from refusing to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder.

11. The Owner acknowledges that it is forbidden from disposing to any person any portion of the building to which this agreement applies unless all of the building to which this agreement applies is disposed of to such person.

12. Owner agrees to comply with the requirements of the federal Fair Housing Act as it may from time to time be amended.

13. Owner agrees to obtain the consent of any recorded lienholder on the Project to this Agreement. Such consent completed on the Agency consent form shall be a condition precedent to the issuance of IRS Form(s) 8609.

14. Upon execution and delivery by the Owner, the Owner shall cause this Agreement to be recorded in the public land records of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Owner shall immediately forward to the Agency an executed original or certified copy of the recorded Agreement showing the date recorded, deed book and page numbers of record. The Owner agrees that the Agency will not issue Internal Revenue Service Form(s) 8609 constituting final allocation of the credit unless and until the Agency has received a recorded executed original or certified copy of this Agreement.

15. It is the intent of the parties hereto that this Agreement constitutes covenants that run with the land and the Agreement is therefore binding on all successors and assigns of each party.

16. These covenants may, from time to time, be amended only with the written consent of the Agency, to reflect changes to the Code or regulations promulgated thereunder. Owner expressly agrees to enter into such amendments as may be necessary to maintain compliance with such provisions.

17. In order to enable the Agency to monitor Owner's compliance with these use and occupancy restrictions, Owner covenants and agrees that the Agency and its agents or employees shall be allowed to enter the premises during business hours and inspect all books and records pertaining to the Project.

18. Owner covenants and agrees to complete and send to the Agency an annual status report, or, if requested by an authorized official of the Agency, more frequent reports, in form and content acceptable to the Agency, which shall demonstrate ongoing compliance with this Agreement.

19. Owner covenants and agrees that in the event it sells or otherwise transfers ownership of the Project, it will notify the Agency in writing, and further, that as a condition precedent to such sale it will enter into such agreements with the purchaser or transferee as may be prescribed by the Agency, which have the effect of causing such purchaser or transferee to be bound by these use and occupancy restrictions, as they may be amended or supplemented.

20. In the event of any conflict between this Agreement and the requirements of the Code, the Code shall prevail. The Agency reserves the right to set conditions that may be more stringent than the Code.

21. It is the understanding of the parties to this agreement that all provisions of Internal Revenue Code Section 42 are to be complied with in respect to building(s) under this agreement whether a specific provision is detailed in this document or not.

22. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions.

IN WITNESS WHEREOF, the Owner has caused this Agreement to be signed by its duly authorized representative, as of the day and year first written above.

Jennifer L King
Signature of Witness 1

Jennifer L King
Print Name

Ashtabula Homes II LLC
Ownership Name

William E Hale
Signature of Authorized Representative

William E Hale
Print Name

Michael Bogo
Signature of Witness 2

Michael Bogo
Print Name

President
Title

State of Ohio

County of Ashtabula

200400022291

Filed for Record in
ASHTABULA COUNTY, OHIO

JUDITH A. BARTA

12-27-2004 At 09:43 am.

DECLAR 260.00

OR Book 322 Page 289 - 319

Before me, a Notary Public for the State of Ohio, appeared the above named William E Hale who acknowledged that he signed the foregoing instrument and that his/her signing was his/her free act.

IN TESTIMONY WHEREOF, I have hereto subscribed my name and affixed my seal this 8 day of December, 2004.

Signature: Jennifer L King

SEAL

JENNIFER L. KING
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES 2-28-07

Recorded in _____ County, Ohio

This document was prepared and the contents were approved by the State of Ohio Department of Development, Ohio Housing Finance Agency.

200400022291

CONTINENTAL TITLE AGENCY CORPORATION
1300 EAST 9TH STREET
SUITE 1220
CLEVELAND, OH 44114 KD

Richard V. Everhart
Signature of Executive Director

Richard V. Everhart
Printed Name

February 17, 2004
Date Approved

Procedure for valuation of federally subsidized residential rental property.

(A) Definitions related to the valuation methodology of federally subsidized residential rental property:

- (1) "Adjusted capitalization rate" means the capitalization rate plus the tax additur to account for the millage rate for the specific subject parcel, less a 1% investment risk factor.
 - (a) The tax additur is calculated by dividing the most recent annual property taxes as of the thirty-first day of December in the year prior to the March 1st deadline found in Revised Code section 5713.031(C) by the most recent market value as of the thirty-first day of December in the year prior to the March 1st deadline found in Revised Code section 5713.031(C).
- (2) "Affordable Housing Valuation Calculator" means an online calculator that calculates the valuation for a federally subsidized residential rental property based on the income approach model that adheres to the statutory requirements defined in section 5715.01(A)(4) of the Revised Code.
- (3) "Audited" means examined to check the accuracy of records or financial accounts.
- (4) "Capitalization rate" means the rate set by the Tax Commissioner and based on a published rate applicable to the latest capitalization rate for multifamily apartments published by the Appraisal Institute or other reputable source as of the first day of January of the year of assessment.
- (5) "Core expenses" means the expenses associated with operating the property, but does not include utility expenses, replacement reserve fund or account contributions, real estate taxes, depreciation, and amortization expenses and replacement of short-term capitalized assets.
- (6) "Federally subsidized residential rental property" means property to which one or more of the of the following apply:
 - (a) It is part of a qualified low-income housing project, through its compliance and extended use period, as those terms are defined in section 42 of the Internal Revenue Code, or any other period during which it is similarly restricted under section 42 of the Internal Revenue Code.
 - (b) It receives assistance pursuant to section 202 of the "Housing Act of 1959," 12 U.S.C. 1701q, and remains restricted pursuant to that section.
 - (c) Property that receives assistance pursuant to Section 811 of the

"Cranston-Gonzalez National Affordable Housing Act," 42 U.S.C. 8013, and remains restricted pursuant to that section;

(d) Property that receives project-based assistance pursuant to section 8 of the "United States Housing Act of 1937," 42 U.S.C. 1437f, and remains restricted pursuant to that section;

(e) Property that receives assistance pursuant to section 515 of the "Housing Act of 1949," 42 U.S.C. 1485, and remains restricted pursuant to that section;

(f) Property that receives assistance pursuant to section 538 of the "Housing Act of 1949," 42 U.S.C. 1490p-2, and remains restricted pursuant to that section;

(g) Property that receives assistance pursuant to section 521 of the "Housing Act of 1949," 42 U.S.C. 1490a, and remains restricted pursuant to that section.

(7) "Gross potential rent" means the full rent potential for the property for the full fiscal year and is calculated by adding the monthly rent for each unit and multiplying the resulting sum by twelve to determine the maximum rental income that the property would generate if one hundred percent of the building were fully leased for the entire year.

(8) "Net operating income" means operating income less operating expenses.

(9) "Operating expenses" means cost to operate the building, including the presumptive allowance for expenses plus all utility expenses plus the allowance for replacement reserves. In calculating operating expenses, it is presumed that operating expenses equals forty-eight percent of the operating income plus utility expenses, plus five percent allowance for replacement reserves. Non-operating expenses such as depreciation and amortization expenses and replacement of short-term capitalized assets are not included in operating expenses. The presumptive calculation of operating expenses may be exceeded by evidence demonstrating the actual expenses of the property.

(10) "Operating income" means gross potential rent plus other income, less the allowance for vacancy loss and unpaid rent.

(a) Calculated as the gross potential rent, less a four percent (of gross potential rent) allowance for vacancy loss and a three percent (of gross potential rent) allowance for unpaid rent losses.

(b) The presumptive amounts may be exceeded by evidence demonstrating the actual income of the property.

- (11) "Other income" and "Income derived from other sources" means income other than rental income from residential units, including but not limited to rent to commercial tenants, interest income, laundry and vending income, tenant charges, non-sufficient fees, late fees, and application fees so long as the income is attributable to the operations of the property.
- (12) "Owner" means the duly authorized representative of the partnership, LLC, or entity that owns the federally subsidized residential rental affordable housing property.
- (13) "Replacement reserve" means the required deposits that must be made into a restricted reserve account, intended to address future capital needs of the property.
- (a) Replacement reserves may be required by the lender, the regulatory agency, or the investor as a condition of the original investment in the property.
- (b) Replacement reserve is presumed to be five percent of the gross rent potential.
- (c) The presumptive amount may be exceeded by evidence demonstrating the actual expenses of the property.
- (14) "Total value" means the value of the property as calculated pursuant to the formula in section 5715.01(A)(4) of the Revised Code.
- (15) "Unimproved land value" means the land value for each parcel as reflected on the most recent tax list.
- (16) "Unpaid rent" means monies that were charged for rent but that were deemed uncollectible, resulting in a bad-debt write-off.
- (a) It is presumed that unpaid rent is three percent of the gross rent potential.
- (b) The presumptive amount may be exceeded by evidence demonstrating the actual income of the property.
- (17) "Utilities" or "Utility expenses" means the sum of expenses paid by the owner that are attributable to electric, gas, water, and sewer charges, and may also include propane service or alternate energy sources should traditional utility services not be available at the property.
- (18) "Vacancy loss" means the allowance of lost revenue attributable to periodic unoccupied or off-line units.

- (a) It is presumed that vacancy loss is four percent of the gross rent potential.
- (b) The presumptive amount may be exceeded by evidence demonstrating the actual income of the property.

(B) Procedure for filing information pursuant to Revised Code Section 5713.031 by the owner of a federally subsidized residential rental property.

(1) Method of filing

- (a) An owner of federally subsidized residential rental property may file with the County Auditor the information listed in Revised Code Section 5713.031(B) via mail, email, courier, hand delivery, or any other method agreed to by the county auditor of the county in which the property is located.
- (b) The information that is to be filed pursuant to Revised Code section 5713.031 will be timely filed:
 - (i) In the instance it is filed via mail or courier, if it is certified that the package containing the information was provided to the United States postal service or courier on or before 11:59 pm eastern standard time on the first day of March;
 - (ii) In the instance it is filed via email, if the date and time the emailed evidence is received by the County Auditor is no later than 11:59 pm on the first day of March;
 - (iii) In the instance it is filed via hand delivery, if it is delivered in person to the county auditor by the end of the business day on or before the first day of March; the county auditor will provide the owner or owner's representative with confirmation of having received the information; or
 - (iv) In the instance it is filed via any other method agreed to by the county auditor of the county in which the property is located, if it is delivered on or before the first day of March in the method and pursuant to the terms agreed to by that county auditor.

(2) Applicability of requirement to file.

- (a) In accordance with division (B) of Revised Code section 5713.031, property is placed in service when:
 - (i) If a Low Income Housing Tax Credit property, upon closing of the Partnership;

- (ii) If a HUD or RD property, upon issuance of a certificate of occupancy
 - (b) An owner of federally subsidized residential rental property will submit the information by the first day of March in each year to which section 5715.24 of the Revised Code applies in the county.
 - (3) Forms. In filing the information, an owner of federally subsidized residential rental property will include:
 - (a) A transmittal page adopted by the Ohio Department of Taxation that includes:
 - (i) the parcel numbers;
 - (ii) the county in which the property is located;
 - (iii) the owner's name, mailing address, phone number, and email address;
 - (iv) the property's address and number of units;
 - (v) the categories of federally subsidized rental property the property meets; and
 - (vi) an option for the owner to:
 - (a) indicate that the owner desires to challenge the presumptive amounts under 5714.01(A)(4)(a) or (b), should the owner be ready to do at the time of submission; and
 - (b) provide the owner's proposed valuation for the property, should the owner be prepared to do so at the time of submission.
 - (4) Supplemental information. If an owner of federally subsidized residential rental property desires to challenge the presumptive amounts under 5714.01(A)(4)(a) or (b), the owner may include any additional information relevant to the valuation of the subject property.
 - (5) Audited Information
 - (a) Information submitted to the county auditor will be audited in accordance with Revised Code section 5713.031 in either of the following ways:
 - (i) if such information is included in an audit of the property's finances

that is certified by an independent public accountant or auditor or a certified public accountant; or

(ii) if such information is not included in an audit of the property's finances but is certified to have been audited by an independent public accountant or auditor or a certified public accountant.

(b) In the instance where the information filed under division (B) of Revised Code section 5713.031 is audited under subdivision (4)(a)(i) of this section, if the income statement in the audited information does not separate out utility charges, the owner may provide additional information, including workpapers, to demonstrate the actual amount of utility charges paid by the property.

(c) In the instance where a property has not yet generated financial statements, the owner will provide the original property proforma and the initial budget, and the greater of the two will be used for the gross rent potential.

(6) Valuation by county auditor.

(a) If the owner does not challenge the amounts under Revised Code sections 5715.01(A)(4)(a) or (b) by indicating the desire to do so on the transmittal page, the valuation as determined under this rule and Revised Code Section 5715.01 will be the established value.

(b) Upon receipt of the forms under division (B)(3) of this section, the County Auditor will verify that the information provided by the owner is accurate and calculate the value under this rule and Revised Code Section 5715.01.

(c) The county auditor will communicate the value of the property as calculated under this rule and Revised Code Section 5715.01 to the owner based on the contact information supplied on the transmittal page.

(d) If the owner disagrees with the valuation as calculated by the auditor under these rules and Revised Code Section 5715.01, the county auditor will provide an opportunity before the first day of September for the owner to meet with the county auditor to review the nature of the calculation.

(7) Overcoming statutory presumptions.

(a) The owner may formally challenge the presumptive amounts under Revised Code sections 5714.01(A)(4)(a) or (b) by indicating the desire to do so on the transmittal page.

- (b) When the owner formally challenges the presumptive amounts under Revised Code sections 5714.01(A)(4)(a) or (b), the owner will provide by the fifteenth day of May:
 - (i) evidence demonstrating the actual income or expenses of the property, as appropriate, and
 - (ii) the valuation that is supported by the evidence as supplied.
 - (c) The county auditor will consider additional information, program requirements, and financial considerations that are presented by the owner.
 - (8) If the county auditor determines that the evidence provided by the owner is insufficient to support a challenge to the presumptive amounts, the county auditor will provide the owner with a reasonable opportunity to meet before the fifteenth day of June.
- (C) Method for determining the value of federally subsidized residential rental property. The value of federally subsidized residential rental property will be determined using the following formula:
 - (1) The total value will be the greater of the following:
 - (a) the appraised value;
 - (b) five thousand dollars (\$5,000) multiplied by the number of units comprising the property; or
 - (c) one hundred fifty percent of the property's unimproved land value.
 - (2) The appraised value will be Operating Income minus the Operating Expenses, the result of which is divided by the adjusted capitalization rate.
 - (3) Pursuant to Revised Code section 5715.031(C)(3), if a property owner fails to timely submit the information required under division (B) of Revised Code section 5715.031, the county auditor is not required to value the property in accordance with these rules and division (A)(4) of section 5715.01 of the Revised Code for any tax year to which that division would have applied and shall otherwise proceed under section 5713.01 of the Revised Code to value the property in compliance with Ohio Constitution, Article XII, Section 2 for that tax year.

ASHTABULA HOMES II LLC (201)

Income Statement

Period = Dec 2023

Book = Accrual ; Tree = inc_test

	Year to Date
3999 INCOME	
3999 Operating INCOME	
4999 REVENUE	
5000 RENT REVENUE	
5120 Rent Income Tenants	223,642.00
5122 Tenant Assistance-Metro	78,557.00
5126 Loss to Lease	-112.00
5220 Apartment Vacancies	-31,169.00
5300 TOTAL RENT REVENUE	270,918.00
5400 FINANCIAL REVENUE	
5410 Interest Income - Operating	614.07
5440 Invest Income - RR	1,557.57
5490 Invest Income - Miscellaneous	322.75
5500 TOTAL FINANCIAL REVENUE	2,494.39
5900 OTHER REVENUE	
5920 NSF and Late Charges	1,300.00
5930 Damages and Cleaning	132.33
5994 Gain on Sale of Assets	213,032.30
5998 TOTAL OTHER REVENUE	214,464.63
5999 TOTAL REVENUE	487,877.02
6000 EXPENSES	
6000 Operating EXPENSES	
6100 ADMINISTRATIVE EXPENSES	
6310 Training Expense	195.00
6311 Office Supplies	1,729.51
6312 Background Checks	43.28
6315 Office and Equipment Rental	1,440.00
6320 Management Fees	28,793.00
6330 Managers Payroll	12,104.00
6332 Office Assistant Payroll	8,138.00
6340 Legal Expenses	420.00
6350 Auditing Expenses	7,150.00
6360 Telephone Expense	2,029.60
6370 Bad Debt Expense	-915.34
6395 Bank and Service Charges	222.75
6399 TOTAL ADMINISTRATIVE EXPENSES	61,349.80
6400 UTILITIES EXPENSE	
6450 Electric	415.11
6451 Water and Sewer	4,319.54
6452 Gas and Heating Oil	1,106.19
6500 TOTAL UTILITIES EXPENSE	5,840.84
6509 MAINTENANCE EXPENSES	
6517 Janitor and Cleaning	1,039.70

EXHIBIT

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6520	Exterminating - Bed Bugs	389.64
6525	Garbage and Trash	217.62
6537	Grounds Contract	2,600.00
6540	Repairs Payroll	10,360.00
6541	Repairs Material	3,187.44
6542	Repairs Contract	9,617.86
6546	HVAC Maintenance	2,728.00
6561	Decorating Supplies	27.40
6598	TOTAL MAINTENANCE EXPENSES	30,167.66
6700	TAXES and INSURANCE	
6710	Real Estate Taxes	29,290.21
6711	Payroll Taxes/Fees	2,836.07
6719	Misc. Tax and Licenses	7,390.00
6720	Insurance - Property	21,308.11
6722	Worker compensation	228.15
6723	Health Insurance	42.60
6799	TOTAL TAXES and INSURANCE	61,095.14
	Total Operating Expenses	158,453.44
8990	TOTAL EXPENSES	158,453.44
	NET OPERATING INCOME	329,423.58

ASHTABULA HOMES II LLC (201)

Income Statement

Period = Dec 2022

Book = Accrual ; Tree = inc_test

		Year to Date
3999	INCOME	
3999	Operating INCOME	
4999	REVENUE	
5000	RENT REVENUE	
5120	Rent Income Tenants	212,687.00
5122	Tenant Assistance-Metro	79,357.00
5126	Loss to Lease	13,607.00
5220	Apartment Vacancies	-13,738.00
5300	TOTAL RENT REVENUE	291,913.00
5400	FINANCIAL REVENUE	
5410	Interest Income - Operating	54.29
5440	Invest Income - RR	243.36
5490	Invest Income - Miscellaneous	241.78
5500	TOTAL FINANCIAL REVENUE	539.43
5900	OTHER REVENUE	
5920	NSF and Late Charges	630.00
5921	Application Fees	50.00
5930	Damages and Cleaning	141.00
5990	Miscellaneous Income	50.00
5992	Real Estate Tax Refunds	7,017.02
5998	TOTAL OTHER REVENUE	7,888.02
5999	TOTAL REVENUE	300,340.45
6000	EXPENSES	
6000	Operating EXPENSES	
6100	ADMINISTRATIVE EXPENSES	
6310	Training Expense	195.00
6311	Office Supplies	1,429.00
6312	Background Checks	123.85
6320	Management Fees	29,430.00
6330	Managers Payroll	14,592.01
6332	Office Assistant Payroll	5,592.00
6350	Auditing Expenses	7,150.00
6360	Telephone Expense	2,195.59
6370	Bad Debt Expense	1,650.30
6395	Bank and Service Charges	278.50
6399	TOTAL ADMINISTRATIVE EXPENSES	62,636.25
6400	UTILITIES EXPENSE	
6450	Electric	425.32
6451	Water and Sewer	1,061.82
6452	Gas and Heating Oil	390.09
6500	TOTAL UTILITIES EXPENSE	1,877.23
6509	MAINTENANCE EXPENSES	
6517	Janitor and Cleaning	1,072.66

6519	Exterminating Expense	544.44
6537	Grounds Contract	3,937.38
6540	Repairs Payroll	10,143.00
6541	Repairs Material	4,304.37
6542	Repairs Contract	15,370.16
6546	HVAC Maintenance	3,913.45
6561	Decorating Supplies	308.07
6598	TOTAL MAINTENANCE EXPENSES	39,593.53
6700	TAXES and INSURANCE	
6710	Real Estate Taxes	43,845.00
6711	Payroll Taxes/Fees	3,196.74
6719	Misc. Tax and Licenses	10,019.17
6720	Insurance - Property	22,852.02
6722	Worker compensation	245.52
6723	Health Insurance	42.25
6799	TOTAL TAXES and INSURANCE	80,200.70
	Total Operating Expenses	184,307.71
8990	TOTAL EXPENSES	184,307.71
	NET OPERATING INCOME	116,032.74

ASHTABULA HOMES II LLC (201)

Income Statement

Period = Dec 2021

Book = Accrual ; Tree = inc_test

		Year to Date
3999	INCOME	
3999	Operating INCOME	
4999	REVENUE	
5000	RENT REVENUE	
5120	Rent Income Tenants	225,713.00
5122	Tenant Assistance-Metro	80,547.00
5126	Loss to Lease	1,390.00
5220	Apartment Vacancies	-4,750.00
5300	TOTAL RENT REVENUE	302,900.00
5400	FINANCIAL REVENUE	
5410	Interest Income - Operating	42.48
5440	Invest Income - RR	40.55
5490	Invest Income - Miscellaneous	95.02
5500	TOTAL FINANCIAL REVENUE	178.05
5900	OTHER REVENUE	
5920	NSF and Late Charges	1,350.00
5921	Application Fees	100.00
5930	Damages and Cleaning	578.22
5990	Miscellaneous Income	1,391.61
5998	TOTAL OTHER REVENUE	3,419.83
5999	TOTAL REVENUE	306,497.88
6000	EXPENSES	
6000	Operating EXPENSES	
6100	ADMINISTRATIVE EXPENSES	
6311	Office Supplies	1,105.66
6312	Background Checks	125.90
6315	Office and Equipment Rental	1,487.50
6320	Management Fees	31,957.00
6330	Managers Payroll	17,210.00
6332	Office Assistant Payroll	3,147.50
6350	Auditing Expenses	6,850.00
6360	Telephone Expense	1,520.80
6370	Bad Debt Expense	-728.00
6395	Bank and Service Charges	327.18
6399	TOTAL ADMINISTRATIVE EXPENSES	63,003.54
6400	UTILITIES EXPENSE	
6450	Electric	432.27
6451	Water and Sewer	1,122.02
6500	TOTAL UTILITIES EXPENSE	1,554.29
6509	MAINTENANCE EXPENSES	
6517	Janitor and Cleaning	499.19
6525	Garbage and Trash	1,840.00
6530	Security Expenses	128.05

6537	Grounds Contract	1,490.00
6540	Repairs Payroll	16,175.00
6541	Repairs Material	5,893.51
6542	Repairs Contract	3,345.03
6546	HVAC Maintenance	2,334.00
6561	Decorating Supplies	795.29
6598	TOTAL MAINTENANCE EXPENSES	32,500.07
6700	TAXES and INSURANCE	
6710	Real Estate Taxes	47,874.09
6711	Payroll Taxes/Fees	3,564.86
6719	Misc. Tax and Licenses	3,573.56
6720	Insurance - Property	21,764.50
6722	Worker compensation	426.63
6723	Health Insurance	54.69
6799	TOTAL TAXES and INSURANCE	77,258.33
	Total Operating Expenses	174,316.23
8990	TOTAL EXPENSES	174,316.23
	NET OPERATING INCOME	132,181.65

Affordable Rent Roll with Lease Changes
Property: ASHTABULA HOMES II LLC (201)

As of Date: 01/01/2023
 Balance Month: 01/2023

4378	201460	1483	Occupied No Notice	0014320	Phelps, Stephen	693.00 rent	693.00	0.00	588.00	6/1/2019	5/31/2023	6/24/2011	10.00
4803	201360	1264	Occupied No Notice	0027594	Stevenson, Amanda	635.00 rent	635.00	0.00	507.00	11/5/2020	10/31/2023	11/5/2020	-150.00
516	201350	1364	Occupied No Notice	0014522	Dickens, Frances	605.00 rent	605.00	0.00	147.00	7/1/2019	6/30/2023	7/2/2015	-466.00
5703	201460	1483	Occupied No Notice	0016686	Sciles, Theda	693.00 rent	693.00	0.00	638.00	3/1/2020	2/28/2023	3/1/2018	0.00
5709	201460	1483	Occupied No Notice	0014299	CANALES, PASCUAL	693.00 rent	693.00	0.00	598.00	10/3/2017	9/30/2023	10/3/2012	21/2023
5715	201460	1483	Occupied No Notice	0015283	Colbert-Huertas, Dayl	693.00 rent	693.00	0.00	1,263.00	9/1/2021	7/31/2023	8/25/2017	53.00
5721	201364	1264	Occupied No Notice	0014298	Coleman, Sandy	605.00 rent	605.00	0.00	472.00	11/1/2017	10/31/2023	11/1/2007	-164.00
5727	201460	1483	Occupied No Notice	0014300	Montemayor, US	693.00 rent	693.00	0.00	1,158.00	9/1/2018	7/31/2023	8/3/2015	0.00
713	201448	1483	Occupied No Notice	0014432	Rustin, Esther	693.00 rent	693.00	0.00	426.00	2/16/2018	1/31/2023	2/16/2015	-19.00
727	201360	1264	Occupied No Notice	0014645	Parfeno, Jenny	635.00 rent	635.00	0.00	547.00	3/1/2020	2/28/2023	3/4/2016	-64.00
741	201460	1483	Occupied No Notice	0014336	Arroyo, Kimberly	693.00 rent	693.00	0.00	411.16	12/1/2018	11/30/2023	12/30/2016	76.00
							21,909.00	0.00	21,423.64				2,485.36
							21,909.00	0.00	21,423.64				2,485.36

(201) Total

	FILTERS
Region	(All)
Building Type	(All)
Population	(All)
Type of Financing	(All)
Project County	(All)

Number of Developments	AVERAGE VACANCY RATE
430	3.74%

This form will calculate the vacancy rate filtered by the appropriate conditions.

It is based on the number of units reported vacant at the end of December 2022. This information was reported by owners and property managers and was collected in the 2022 Annual Operating Survey.

This data reflects developments over ten units that received a Housing Tax Credit award between 2006 and 2019.

EXHIBIT

H

FILTERS	
Region	(All)
Building Type	(All)
Population	(All)
Type of Financing	(All)
Project County	(All)
TOTAL DEVELOPMENTS THAT FIT THESE CONDITIONS	430

AVERAGE PER UNIT PER YEAR	
ADMINISTRATIVE	\$ 2,118
UTILITIES	\$ 1,152
OPERATING/MAINTANENCE	\$ 2,252
TAXES/INSURANCE	\$ 1,361
OTHER FINANCIAL EXPENSES	\$ 608
TOTAL OPERATING COSTS	\$ 7,492

This form will calculate the operating expenses per unit per year filtered by the appropriate conditions.

It is based on data from owners and property managers that was collected in the 2022 Annual Operating Survey.

This data reflects developments over ten units that received a Housing Tax Credit award between 2006 and 2019.

EXHIBIT

I

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2023*

SURVEYED RESERVE REQUIREMENTS

Property Type	Per SF			Per Unit			% of EGI		
	Min.	Max.	Typical	Min.	Max.	Typical	Min.	Max.	Typical
Apartments				\$165	\$450	\$418			
Golf				\$1,295	\$7,950	\$3,666	2.0%	4.5%	3.2%
Health Care/Senior Housing				\$275	\$760	\$424			
Industrial	\$0.28	\$0.90	\$0.59						
Lodging							4.0%	8.5%	4.6%
Mobile Home/RV Park				\$38	\$318	\$176	2.0%	5.5%	4.2%
Office	\$0.38	\$0.95	\$0.69						
Restaurants							2.0%	5.5%	3.2%
Retail	\$0.38	\$1.15	\$0.76						
Self-Storage	\$0.32	\$0.85	\$0.71	\$38	\$218	\$137			
Special Purpose	\$0.30	\$1.20	\$0.80						

*4th Quarter 2022 Data

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EXHIBIT

J

RealtyRates.com INVESTOR SURVEY - 1st Quarter 2024¹
CURRENT & HISTORICAL CAP RATE INDICES

Method-Weighted ² Property Category Indices																									Weighted ³ Composite Indices	
Year	Apts		Golf		Senior Housing		Industrial		Lodging		MHRV Park		Office		Retail		Restaurant		Self Storage		Special Purpose		BP			
	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg	Rate	Chg				
2023	8.49	50	11.93	37	9.20	56	9.42	47	10.45	55	9.64	57	9.31	43	9.60	58	12.33	82	10.03	44	12.19	58	9.84	52		
4th Qtr	8.63	14	12.04	16	9.38	10	9.48	14	10.59	14	10.00	17	9.32	18	9.76	16	12.40	16	10.03	17	12.30	21	9.95	16		
3rd Qtr	8.49	22	11.88	13	9.20	23	9.35	5	10.46	21	9.84	21	9.14	6	9.60	20	12.32	23	9.86	8	12.17	25	9.79	13		
2nd Qtr	8.27	-7	11.75	-8	8.97	-5	9.29	-6	10.25	-5	9.63	-6	9.24	-6	9.40	-4	12.09	-8	9.94	-9	11.92	-8	9.67	-6		
1st Qtr	8.34	-15	11.83	-13	9.02	-18	9.35	-14	10.30	-17	9.68	-15	9.30	-15	9.44	-12	12.17	-11	10.02	-14	11.99	-20	9.73	-15		
2022	7.99	16	11.56	17	8.64	26	8.95	36	9.90	22	9.27	35	8.88	39	9.02	17	11.50	39	9.59	35	11.61	40	9.32	28		
2021	7.83	-59	11.39	-64	8.36	-64	8.60	-59	9.68	-84	8.92	-65	8.49	-55	8.85	-53	11.11	-46	9.24	-62	11.21	-44	9.04	-60		
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.68	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41		
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49		
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22		
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.15	15	9.16	16	9.27	12	11.42	-15	9.57	-9	11.25	4	9.42	-6		
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9		
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12		
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7		
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2		
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21		
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19		
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.65	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13		
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.36	-7	9.43	1	9.38	-29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14		
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1		
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.26	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28		
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	-30	10.03	26		
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2		
2004	9.00	-19	10.65	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-12	11.74	-30	9.75	-19		
2003	9.19	-2	10.30	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12		
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41		
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.76	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21		
2000	9.97	9.19	9.41	9.65	9.89	10.30	10.13	10.38	10.64	10.56	12.44	10.01														
- ¹ Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey																										
- ² Further weighted by property category																										

¹ - Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

² - Further weighted by property category

³ - 4th Quarter 2023 Data

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EXHIBIT

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Capitalization Rate

The appropriate capitalization rate for a property of this type is best determined by the overall rate that is abstracted out of the marketplace. Provided in the following chart are nine examples of overall rates from sales of LIHTC properties located throughout Ohio.

<u>NO.</u>	<u>LOCATION</u>	<u>SALE DATE</u>	<u>NET OPERATING INCOME</u>	<u>SALE PRICE</u>	<u>OVERALL CAP RATE</u>
1	2500 Orchard Drive Dayton, Ohio	07/31/19	\$190,348	\$2,075,000	9.17%
2	801 Cold Water Drive Monroe, Ohio	02/12/20	\$952,000	\$13,600,000	7.00%
3	1235 Chesterdale Drive Springdale, Ohio	03/10/20	\$1,649,907	\$21,000,000	7.86%
4	1318 Barnes Drive Columbus, Ohio	05/12/20	\$647,179	\$9,250,000	7.00%
5	996 West Perry Street Salem, Ohio	09/02/20	\$98,795	\$1,066,000	9.27%
6	600 Plainfield Road West Lafayette, Ohio	01/29/21	\$116,318	\$1,400,000	8.31%
7	1264 Southeast Boulevard Salem, Ohio	03/26/21	\$122,443	\$850,000	14.41%
8	330 Mercer Avenue, et al. Dayton, Ohio	07/28/21	\$126,872	\$1,594,966	7.95%
9	100 Bethel Park Drive, et al. Bethel, Ohio	01/25/22	\$665,430	\$10,700,000	6.22%

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