A. **Settlement Statement**

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan

1. ☐ FHA 2. ☐ FmHA 3. ☐ Conv Unins 4. ☐ VA 5. ☐ Conv Ins. 6. ☐ Seller Finance 7. ☐ Cash Sale.	6. File Number 19-1200	7. Loan Number	8. Mortgage Ins Case Number

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower	E. Name & Address of Seller	F. Name & Address of Lender
Resolution Senior L.P. **P.O. Box 2676** **Columbus, OH 43216**	**New Hope Pentecostal Church of Ashtabula, Inc.** **5917 West Avenue** **P.O. Box 1385** **Ashtabula, OH 44005**	

G. Property Location	H. Settlement Agent Name	
5.0001 acres, Ashtabula Township, Ashtabula County, Ohio **5.0001 acres Resolution Ave.** **Ashtabula , OH 44004**	**Star Title Agency LLC** **500 S. Front St., Suite 250** **Columbus, OH 43215 Tax ID: 56-2444549** **Underwritten By: First American**	
	Place of Settlement **Star Title Agency LLC** **500 S. Front Street, Suite 250** **Columbus, OH 43215**	I. Settlement Date **8/11/2022** Fund:

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
100. Gross Amount Due from Borrower		**400. Gross Amount Due to Seller**	
101. Contract Sales Price	$191,250.00	401. Contract Sales Price	$191,250.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to borrower	$765.50	403.	
104. Easement from Seller	$8,750.00	404. Easement to Buyer	$8,750.00
105.		405.	
Adjustments for items paid by seller in advance		**Adjustments for items paid by seller in advance**	
106. County property taxes		406. County property taxes	
107. Assessment Taxes		407. Assessment Taxes	
108. CAUV		408. CAUV	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower	$200,765.50	**420. Gross Amount Due to Seller**	$200,000.00
200. Amounts Paid By Or in Behalf Of Borrower		**500. Reductions in Amount Due to Seller**	
201. Deposit or earnest money		501. Excess Deposit	
202. Principal amount of new loan(s)		502. Settlement Charges to Seller (line 1400)	$400.00
203. Existing loan(s) taken subject to		503. Existing Loan(s) Taken Subject to	
204. Commitment fee		504. Payoff of first mortgage loan to	
205.		505. Payoff of second mortgage loan to	
206. Earnest Money Deposit	$2,000.00	506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		**Adjustments for items unpaid by seller**	
210. County property taxes 01/01/22 thru 08/11/22	$622.17	510. County property taxes 01/01/22 thru 08/11/22	$622.17
211. Assessment Taxes		511. Assessment Taxes	
212. CAUV		512. CAUV	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	$2,622.17	**520. Total Reduction Amount Due Seller**	$1,022.17
300. Cash At Settlement From/To Borrower		**600. Cash At Settlement To/From Seller**	
301. Gross Amount due from borrower (line 120)	$200,765.50	601. Gross Amount due to seller (line 420)	$200,000.00
302. Less amounts paid by/for borrower (line 220)	$2,622.17	602. Less reductions in amt. due seller (line 520)	$1,022.17
303. Cash From Borrower	$198,143.33	**603. Cash To Seller**	$198,977.83

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services;
• Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper.
The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.
This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.
The information requested does not lend itself to confidentiality.

File No. 19-1200

L. Settlement Charges			
700. Total Sales/Broker's Commission based on price	**$191,250.00** @ % = **$0.00**	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of Commission (line 700) as follows:			
701.	to		
702.	to		
703. Commission Paid at Settlement		**$0.00**	**$0.00**
800. Items Payable in Connection with Loan			
801. Loan Origination Fee %	to		
802. Loan Discount %	to		
803. Appraisal Fee	to		
804. Credit Report	to		
805. Lender's Inspection Fee	to		
806. Mortgage Insurance Application	to		
807. Assumption Fee	to		
808. Flood Certification	to		
900. Items Required by Lender To Be Paid in Advance			
901. Interest from **8/11/2022** to **9/1/2022**	@ $0/day		
902. Mortgage Insurance Premium for months	to		
903. Hazard Insurance Premium for years	to		
1000. Reserves Deposited With Lender			
1001. Hazard insurance	months @ per month		
1002. Mortgage insurance	months @ per month		
1003. County property taxes	months @ per month		
1004. Assessment Taxes	months @ per month		
1005. CAUV	months @ per month		
1006.	months @ per month		
1007.	months @ per month		
1008.	months @ per month		
1011. Aggregate Adjustment			
1100. Title Charges			
1101. Settlement or closing fee	to **Star Title Agency LLC**		**$250.00**
1102. Abstract or title search	to		
1103. Title examination	to		
1104. Title insurance binder	to		
1105. Deed preparation	to **Saad & Saad LLP**		**$100.00**
1106. Notary fees	to		
1107. Attorney's fees	to		
(includes above items numbers:	)		
1108. Title insurance	to **Star Title Agency LLC**		
(includes above items numbers:	)		
1109. Lender's coverage	**$0.00/$0.00**		
1110. Owner's coverage	**$191,250.00/$0.00**		
1111. Recordation Service Fee	to		
1112. Closing Protection Coverage (Lender)	to		
1200. Government Recording and Transfer Charges			
1201. Recording Fees Deed ; Mortgage ; Rel	to		
1202. City/county tax/stamps Deed ; Mortgage	to		
1203. State tax/stamps Deed ; Mortgage	to		
1204. Tax certificates	to		
1205. Conveyance Fee.	to **Ashtabula County Auditor**	**$765.00**	
1206. Transfer Fee	to **Ashtabula County Auditor**	**$0.50**	
1207. Courier/Messenger Fee	to		
1208. Record Partial Release of Mortgage	to **Ashtabula County Recorder**		**$50.00**
1300. Additional Settlement Charges			
1301. Survey	to		
1302. Pest Inspection	to		
1303. Overnight Packages	to		
1304. Real Estate Taxes	to		
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)		**$765.50**	**$400.00**

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a completed copy of pages 1, 2 and 3 of this HUD-1 Settlement Statement.

ORC § 5713.031(B) Notification

Ashtabula County Auditor
25 W. Jefferson St.
Jefferson, OH 44047

Dear Auditor:

We are writing this letter to inform you that the parcel listed below contains a Low-Income Housing Tax Credit ("LIHTC") multifamily housing project. The project began collecting rents in December 2023.

The owner, parcel number, and address of the property are as follows:

Owner: Resolution Senior L.P.
Parcel ID: 03-013-00-037-05
Address: 3917 Resolution Avenue, Ashtabula, OH 44004

Last year Governor DeWine recently signed Ohio House Bill 33 into law. The new law added O.R.C. § 5715.01(A)(4), which directs the tax commissioner to prescribe uniform rules to determine the value of "federally subsidized residential rental property". O.R.C. § 5713.031(A)(1) provides that property subject to the rent restrictions found in Section 42 of the Internal Revenue Code are "federally subsidized residential rental property". Please note that all the property's rental units are subject to rent restrictions imposed by Internal Revenue Code Section 42. The rent restrictions are memorialized by the attached restrictive covenant.

The framework for valuing federally subsidized residential rental property is contained in the attached O.R.C. § 5715.01(A)(4). Our estimated value, using the new statutory framework, is attached hereto. *Please note our value calculation annualizes both the gross potential rents and utility expenses from the 2023 audit.*

In addition to copies of the estimated value calculation and recorded restrictive covenant, please find attached the capitalization rate support and the applicable statutory changes stemming from H.B. 33.

Spire Development is a rapidly growing, veteran-led development company headquartered in Columbus, Ohio that develops and owns LIHTC communities across Ohio, Kentucky, West Virginia, and Michigan. Spire Development is committed to building and owning meaningful communities for working families and seniors. Above all, our developments enhance the lives of our residents and enrich the communities we serve.

Sincerely,

Thomas Grywalski
President
Spire Development, Inc.
Email: tom@livespired.com
Phone: (614) 350-0391 ext. 1

Affordable Housing Transmittal Page

Tax Lien Date: 01-01-2024

County: Ashtabula

Property Information:

Owner Legal Name: Resolution Senior L.P.

Doing Business As: Resolution Senior

Parcel(s): 03-013-00-037-05

Units: 28

Property Address: 3917 Resolution Avenue, Ashtabula, OH 44004

Contact Name: Thomas A. Grywalski

Contact Phone: 614-350-0391 x1

Contact Email: tom@livespired.com

Mailing Address: 330 W. Spring Street, Suite 430, Columbus, Ohio 43215

Property is:

Section 42: ☑ Section 202: ☐ Section 811: ☐
Section 8: ☐ Section 515: ☐ Section 538: ☐
Section 521: ☐

If checked, the owner wishes to challenge the presumptive amounts set forth by HB 33: ☐

Owners Opinion of Value for TY 2024 (optional): $935,608

Attachments:

2023 Audited financials

Other: Affordable Housing Transmittal Page, Owner's Proposed Value Calculation, Capitalization Rate Support, Applicable Statutes, Cover Page of Recorded Restrictive Covenant

Under construction: ☐
In initial lease up: ☑
Stabilized: ☐

Date of initial occupancy: 12/21/23
Occupancy as of tax lien date: 17.86%

I hereby certify the information contained herein and attached to be true and accurate to the best of my ability.

Signature & Date: Thomas Grywalski 2/26/2024

Owner's Valuation Calculation

Resolution Senior LP

Ashtabula County, Ohio
IRC Section 42 LIHTC Property

LIHTC VALUATION ANALYSIS - Pursuant to O.R.C. Section 5715.01(A)(4) Framework

VALUATION ANALYSIS - Greater Of Three Approaches, Per d*raft OAC 5703-25-20(C)(1)*

		Inputs	Annualization Factor Dec 1 - Dec 31 (31 days / 365 days)		
(1) $5,000 multiplied by Number of Units					
	Number of Units	28			28
	x $5,000				$5,000
	Valuation				$140,000
(2) 150% of Property's Unimproved Land Value					
	Unimproved Land Value (per county Auditor)	$ 116,000		$	116,000
	x 150%				150%
	Valuation				$174,000
(3) Appraised Value					
				2023 Income	**Annualized**
Rent Revenue					
	Actual Gross Potential Rent	$ 17,630	0.0849	$	207,579
4.0%	Less Vacancy ^			$	(8,303)
3.0%	Unpaid Rent Losses ^			$	(6,227)
	Net Revenue			$	193,049
Other Income					
	Actual Tenant Charges	$ -	0.0849	$	-
	Miscellaneous / Other Income	$ 772	0.0849	$	9,090
	Other Income			$	9,090
TOTAL REVENUE (Operating Income)				**$**	**202,138**
Expenses (excluding RE Taxes)					
48%	Operating Expenses ^^			$	97,026
	Actual Utility Expense	$ -	0.0849	$	-
5.00%	Replacement Reserves ^^			$	10,379
TOTAL EXPENSES				**$**	**107,405**
NET OPERATING INCOME				**$**	**94,733**
Tax Additur					2.7153%
Capitalization Rate					7.4100%
CAPITALIZATION RATE + TAX ADDITUR *					10.1253%
	Valuation				$935,608
FINAL VALUATION (greater of 1, 2, and 3)					**$935,608**
35% of Market Value for Taxable Value:				$	327,463
Estimated Real Estate Tax:				**$**	**25,404**

TAX ADDITUR

Tax Additur per Draft OAC 5703-25-20(A)(1)(a)	
Taxes (before special assessments)	$ 3,149.72
Market Value	$ 116,000
Tax Additur	2.7153%
Efective Millage	77.57931034

CAP RATE ANALYSIS

Net Operating Income	
/ Purchase Price	
Produces a Capitalization Rate:	0.00%
OR	
Capitalization Rate provided Realty Rates **	8.41%
Less Sec. 5715.01(A)(4)(c) Adjustment	-1.00%
Applied Capitalization Rate	7.41%

Grey Box with Blue Font are manual inputs. For (3) Appraised Value, the input values are taken from the audited income statement

^ Presumptive amounts pursuant to ORC § 5715.01(A)(4)(a) formula
^^ Presumptive amounts pursuant to ORC § 5715.01(A)(4)(b) formula
** Capitalization rate derived from ORC § 5715.01(A)(4)(c) formula*
*** Most Current 2023 Multifamily Cap Rate from RealtyRates.com (most recent rate provided by realtyrates.com)*

Audited Financials

RESOLUTION SENIOR LP
DBA RESOLUTION SENIOR APARTMENTS

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2023

RESOLUTION SENIOR LP
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenues	
Gross Rental Income	$ 17,630
Vacancy Loss	(16,779)
Net Rental Income	851
Interest Income	22
Other Income	750
Total Revenues	1,623
Expenses	
Administrative	5,007
Management Fees	230
Total Expenses	5,237
Income (Loss) from Operations	(3,614)
Other Non-Operating Revenue (Expenses)	
Depreciation	(5,702)
Amortization	(741)
Other Non-Operating Revenue (Expenses)	(7,632)
Total Other Non-Operating Revenue (Expenses)	(14,075)
Net Income (Loss)	$ (17,689)

The accompanying notes are an integral part of these financial statements.

RESOLUTION SENIOR LP
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

Administrative		
Office Expenses	$	7
Audit Expenses		5,000
Total Administrative Expenses	$	5,007

Note 1. Summary of Significant Accounting Policies and Organization (cont.)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

No provision has been made in the financial statements for income taxes, since such taxes are the responsibility of the Partners.

The Partnership's tax filings for the years ending 2021 and 2022 are subject to examination by the taxing authorities. The Partnership believes it is no longer subject to income tax examinations for years prior to 2021.

The Partnership evaluates its uncertain tax positions using the provisions of FASB Accounting Standards Codification (ASC) 740, Income Taxes, for Certain Nonpublic Enterprises. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. No loss contingency has been identified during the year under audit.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including February 23, 2024, which is the date the financial statements were available to be issued.

Note 2. Restricted Cash

Restricted cash consists of the tenant security deposits and operating reserve. The restricted cash has been established in amounts considered by the Partners to be adequate and in accordance with the Partnership Agreement and permanent loan documents. Use of the accounts is restricted as defined in the Partnership Agreement and by the lender.

Restricted cash reserves included the following at December 31, 2023:

Operating Reserve	$	20,380
Tenants Security Deposits		3,355
	$	23,735

Note 3. Other Assets

Other assets included the following at December 31, 2023:

Tenant Accounts Receivable	$	4,226
Prepaid Expenses		40,229
	$	44,455

Capitalization Rate Support

Market Commentary

RealtyRates.com *Investor Survey* Reports Minor Cap Rate Index Decreases Office, Self Storage, Modest Increases For All Other Property Types During 3rd Quarter 2023

Consistent with a 60 basis point increase in Treasury rates to which most commercial mortgage interest rates are indexed, together with a six basis point decrease in equity dividend rates, the RealtyRates.com™ *Investor Survey* Weighted Composite (Cap Rate) Index™ increased 13 basis points from 9.67 to 9.79 percent during the 3rd Quarter of 2023.

The greatest, albeit modest, quarter-over-quarter cap rate index increase during the 3rd Quarter was recorded by the Special Purpose sector, up 25 basis points, followed by the Health Care and Restaurant sectors, both up 23 basis points.

Meanwhile, Office and Self Storage were the only sectors to report minor quarter-over-quarter cap rate index decreases, 10 and eight basis points respectively, during the 3rd Quarter.

Mortgage lending standards tightened on weaker demand and higher risk for all commercial real estate loan categories during the 3rd Quarter. Meanwhile, although spreads were down three basis points overall, average permanent mortgage rates were up a full 67 basis points.

RealtyRates.com INVESTOR SURVEY - 4th Quarter 2023*

CURRENT & HISTORICAL CAP RATE INDICES

	Method-Weighted* Property Category Indices																								Weighted^ Composite Indices	
	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose					
Year	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg		
2023	8.41	43	11.85	29	9.11	47	9.35	40	10.38	48	9.76	49	9.22	34	9.52	50	12.25	74	9.94	35	12.08	48	9.76	44		
3rd Qtr	8.49	22	11.88	13	9.20	23	9.35	5	10.46	21	9.84	21	9.14	-10	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	8.38	-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	8.58	-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	9.26	11	8.94	-22	9.19	-8	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	9.55	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	10.98	-7	9.33	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	9.25	-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	9	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	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19		
2003	9.19	-2	10.38	-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	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21		
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01			

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

^ Further weighted by property category

*3rd Quarter 2023 Data

Applicable Statutes

Ohio Revised Code

Section 5713.031 Federally subsidized residential rental property reporting.

Effective: October 3, 2023
Legislation: House Bill 33 - 135th General Assembly

(A) As used in this section, "federally subsidized residential rental property" means property to which one or more of the following apply:

(1) 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.

(2) 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.

(3) 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;

(4) 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;

(5) 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;

(6) 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;

(7) 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.

(B) An owner of federally subsidized residential rental property shall file with the county auditor of the county in which the property is located the following information from the preceding calendar year or up to three preceding calendar years, as applicable:

(1) The operating income of the property which shall include gross potential rent, any forgiveness of or allowance received for losses due to vacancy or unpaid rent, and any income derived from other sources;

(2) The operating expenses of the property including all non-capitalized expenses related to staffing, utilities, repairs, supplies, telecommunication, management fees, audits, legal and contract services, and any other expense a prospective buyer might consider in purchasing the property. Real property taxes, depreciation, and amortization expenses and replacement of short-term capitalized assets shall be excluded from operating expenses.

(3) The annual amount of contribution to replacement reserve funds or accounts related to the property.

(C)(1) The information required under division (B) of this section shall be filed by the owner both before the property is placed in service and after the commencement of the property's operations, and each following year to which section 5715.24 of the Revised Code applies in the county, on or before the first day of March. Each such filing in a reappraisal or update year shall report the information required under division (B) of this section for the preceding three calendar years or for the period of time the property has been in operation, if less than three years.

(2) Information filed under this section shall have first been audited by an independent public accountant or auditor or a certified public accountant prior to filing. If such an audit is not completed by the first day of March, the owner of the property shall file updated records within thirty days after the completion of such an audit.

(3) If a property owner fails to timely submit the information required under division (B) of this section, the county auditor is not required to value the property in accordance with division (A)(4) of section 5715.01 of the Revised Code for any applicable 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.

(D) The county auditor shall use the information submitted under this section to determine the valuation of the property pursuant to rules adopted under division (A)(4) of section 5715.01 of the Revised Code.

(E) Any information submitted under this section is not a public record for purposes of section 149.43 of the Revised Code.

AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #307107

Ohio Revised Code

Section 5715.01 Tax commissioner to supervise assessments by county auditors - rules and procedure - county board of revision.

Effective: October 3, 2023
Legislation: House Bill 33

(A) The tax commissioner shall direct and supervise the assessment for taxation of all real property. The commissioner shall adopt, prescribe, and promulgate rules for the determination of true value and taxable value of real property by uniform rule for such values and for the determination of the current agricultural use value of land devoted exclusively to agricultural use.

(1) The uniform rules shall prescribe methods of determining the true value and taxable value of real property. The rules shall provide that in determining the true value of lands or improvements thereon for tax purposes, all facts and circumstances relating to the value of the property, its availability for the purposes for which it is constructed or being used, its obsolete character, if any, the income capacity of the property, if any, and any other factor that tends to prove its true value shall be used. In determining the true value of minerals or rights to minerals for the purpose of real property taxation, the tax commissioner shall not include in the value of the minerals or rights to minerals the value of any tangible personal property used in the recovery of those minerals.

(2) The uniform rules shall prescribe the method for determining the current agricultural use value of land devoted exclusively to agricultural use, which method shall reflect standard and modern appraisal techniques that take into consideration the productivity of the soil under normal management practices, typical cropping and land use patterns, the average price patterns of the crops and products produced and the typical production costs to determine the net income potential to be capitalized, and other pertinent factors.

In determining the agricultural land capitalization rate to be applied to the net income potential from agricultural use, the commissioner shall use standard and modern appraisal techniques. In calculating the capitalization rate for any year, the commissioner shall comply with both of the following requirements:

(a) The commissioner shall use an equity yield rate equal to the greater of (i) the average of the total rates of return on farm equity for the twenty-five most recent years for which those rates have been calculated and published by the United States department of agriculture economic research service or another published source or (ii) the loan interest rate the commissioner uses for that year to calculate the capitalization rate;

(b) The commissioner shall assume that the holding period for agricultural land is twenty-five years for the purpose of computing buildup of equity or appreciation with respect to that land.

The commissioner shall add to the overall capitalization rate a tax additur. The sum of the overall capitalization rate and the tax additur shall represent as nearly as possible the rate of return a prudent investor would expect from an average or typical farm in this state considering only agricultural factors.

The commissioner shall annually determine and announce the overall capitalization rate, tax additur, agricultural land capitalization rate, and the individual components used in computing such amounts in a determination, finding, computation, or order of the commissioner published simultaneously with the commissioner's annual publication of the per-acre agricultural use values for each soil type.

(3) Notwithstanding any other provision of this chapter and Chapter 5713. of the Revised Code, the current agricultural use value of land devoted exclusively to agricultural use shall equal the following amounts for the years specified:

(a) In counties that undergo a reappraisal or triennial update in 2017, the current agricultural use value of the land for each of the 2017, 2018, and 2019 tax years shall equal the sum of the following amounts:

(i) The current agricultural use value of the land for that tax year, as determined under this section and section 5713.31 of the Revised Code, and rules adopted pursuant those sections, without regard to the adjustment under division (A)(3)(a)(ii) of this section;

(ii) One-half of the amount, if any, by which the value of the land for the 2016 tax year, as determined under this section, section 5713.31 of the Revised Code, and the rules adopted pursuant those sections and issued by the tax commissioner for counties undergoing a reappraisal or triennial update in the 2016 tax year, exceeds the value determined under division (A)(3)(a)(i) of this section.

(b) In counties that undergo a reappraisal or triennial update in 2018, the current agricultural use value of the land for each of the 2018, 2019, and 2020 tax years shall equal the sum of the following amounts:

(i) The current agricultural use value of the land for that tax year, as determined under this section and section 5713.31 of the Revised Code, and rules adopted pursuant those sections, without regard to the adjustment under division (A)(3)(b)(ii) of this section;

(ii) One-half of the amount, if any, by which the value of the land for the 2017 tax year, as determined under this section, section 5713.31 of the Revised Code, and the rules adopted pursuant those sections and issued by the tax commissioner for counties undergoing a reappraisal or triennial update in the 2017 tax year, exceeds the value determined under division (A)(3)(b)(i) of this section.

(c) In counties that undergo a reappraisal or triennial update in 2019, the current agricultural use value of the land for each of the 2019, 2020, and 2021 tax years shall equal the sum of the following amounts:

(i) The current agricultural use value of the land for that tax year, as determined under this section and section 5713.31 of the Revised Code, and rules adopted pursuant those sections, without regard to the adjustment under division (A)(3)(c)(ii) of this section;

(ii) One-half of the amount, if any, by which the value of the land for the 2018 tax year, as determined under this section, section 5713.31 of the Revised Code, and the rules adopted pursuant those sections and issued by the tax commissioner for counties undergoing a reappraisal or triennial update in the 2018 tax year, exceeds the value determined under division (A)(3)(c)(i) of this section.

(4) The uniform rules shall prescribe the method for determining the value of federally subsidized residential rental property through the use of a formula that accounts for the following factors:

(a) Up to three years of operating income of the property, which includes gross potential rent, and any income derived from other sources as reported by the property owner to the county auditor under section 5713.031 of the Revised Code. Operating income shall include an allowance for vacancy losses, which shall be presumed to be four per cent of gross potential rent, and unpaid rent losses, which shall be presumed to be three per cent of gross potential rent. These presumptive amounts may be exceeded with evidence demonstrating the actual income of the property.

(b) Operating expenses of the property, which shall be presumed to be forty-eight per cent of operating income plus utility expenses as reported by the property owner to the county auditor under section 5713.031 of the Revised Code. Operating expenses shall also include replacement reserve fund or account contributions which shall be presumed to be five per cent of gross potential rent. These presumptive amounts may be exceeded with evidence demonstrating the actual expenses of the property. Real property taxes, depreciation, and amortization expenses and replacement of short-term capitalized assets shall be excluded from operating expenses.

(c) A market-appropriate, uniform capitalization rate plus a tax additur accounting for the real property tax rate of the property's location. For federally subsidized residential rental property described in division (A)(1) of section 5713.031 of the Revised Code, one percentage point shall be subtracted from the uniform capitalization rate.

The uniform rules shall also prescribe a minimum total value for federally subsidized residential rental property of five thousand dollars multiplied by the number of dwelling units comprising the property or one hundred fifty per cent of the property's unimproved land value, whichever is greater. The formula and other rules adopted by the commissioner pursuant to this division shall comply with Ohio Constitution, Article XII, Section 2.

As used in division (A)(4) of this section, "federally subsidized residential rental property" has the same meaning as in section 5713.031 of the Revised Code and "dwelling unit" has the same meaning as in section 5321.01 of the Revised Code.

(B) The taxable value shall be that per cent of true value in money, or current agricultural use value in the case of land valued in accordance with section 5713.31 of the Revised Code, the commissioner by rule establishes, but it shall not exceed thirty-five per cent. The uniform rules shall also prescribe methods of making the appraisals set forth in section 5713.03 of the Revised Code. The taxable value of each tract, lot, or parcel of real property and improvements thereon, determined in accordance with the uniform rules and methods prescribed thereby, shall be the taxable value of the tract, lot, or parcel for all purposes of sections 5713.01 to 5713.26, 5715.01 to 5715.51, and 5717.01 to 5717.06 of the Revised Code. County auditors shall, under the direction and supervision of the commissioner, be the chief assessing officers of their respective counties, and shall list and value the real property within their respective counties for taxation in accordance with this section and sections 5713.03 and 5713.31 of the Revised Code and with such rules of the commissioner. There shall also be a board in each county, known as the county board of revision, which shall hear complaints and revise assessments of real property for taxation.

(C) The commissioner shall neither adopt nor enforce any rule that requires true value for any tax year to be any value other than the true value in money on the tax lien date of such tax year or that requires taxable value to be obtained in any way other than by reducing the true value, or in the case of land valued in accordance with section 5713.31 of the Revised Code, its current agricultural use value, by a specified, uniform percentage.

Cover Page of Recorded Restrictive Covenant

Type: OFFICIAL RECORDS
Kind: DECLARATION
Recorded: 12/28/2023 10:25:58 AM
Fee Amt: $114.00 Page 1 of 12
Receipt#: 202300008873
Ashtabula County, Ohio
Barbara Schaab Recorder
File# 2023-00011683

BK 810 PG 1426 - 1437

Restrictive Covenant

This Restrictive Covenant dated as of December 27, 2023, by Resolution Senior L.P., (the "Owner") its successors and assigns, is given as a condition to the allocation of low-income housing tax credits by the Ohio Housing Finance Agency or any successor to the Ohio Housing Finance Agency 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.

Definitions. The following words and phrases are defined as follows for the purpose of this Restrictive Covenant:

a. *Agency or OHFA* means the Ohio Housing Finance Agency or any successor to the Ohio Housing Finance Agency as the Low-Income Housing Tax Credit allocation authority(ies) or housing credit agency for the State of Ohio as described in the Code.

b. *Applicable Fraction* means the smaller of the low-income unit fraction or the low-income floor space fraction, as defined in Section 42(c)(1)(B) of the Code, for a building comprising or a part of the Project.

c. *AMGI* means Area Median Gross Income adjusted for family size.

d. *Code* means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

e. *Commencement Date* means the first day in the Compliance Period applicable to the qualified low-income housing project, as defined by the Code, otherwise known as the Project.