



# Broward County

## Legislation Details (With Text)

**File #:** 21-1684 **Version:** 1

**Status:** Agenda Ready

**In control:** Resilient Environment - Housing Finance Division

**On agenda:** 11/4/2021 **Final action:** 11/4/2021

**Title:** MOTION TO APPROVE consent to certain ownership transfers for family planning purposes relating to the ownership of the borrowers for two HOME (HOME Investment Partnerships Program) grant-funded loans, Avery Glen, LLC and The Lofts in Tarpon River, LLC, and authorize the County Administrator to execute a written consent to such transfers, subject to approval as to form and legal sufficiency by the Office of the County Attorney. (Commission Districts 1 and 7)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit 1 - Pinnacle Transfers-Avery Glenn and The Lofts at Tarpon River

Date	Ver.	Action By	Action	Result
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### Broward County Commission Regular Meeting

**Director's Name:** Leonard Vialpando

**Department:** Resilient Environment

**Division:** Housing Finance

### Information

#### Requested Action

MOTION TO APPROVE consent to certain ownership transfers for family planning purposes relating to the ownership of the borrowers for two HOME (HOME Investment Partnerships Program) grant-funded loans, Avery Glen, LLC and The Lofts in Tarpon River, LLC, and authorize the County Administrator to execute a written consent to such transfers, subject to approval as to form and legal sufficiency by the Office of the County Attorney. **(Commission Districts 1 and 7)**

#### Why Action is Necessary

Board action is required to provide the consent to the transfer of any beneficial interests in the Property, or any transfer of any beneficial ownership in the Mortgagor.

#### What Action Accomplishes

The action allows for the transfer of non-voting, non-majority interest in PHG GP Holdings, LLC, which in turn owns 100% of the membership interests of the Authorized Member of two County HOME loan borrowers, Avery Glen, LLC, and The Lofts in Tarpon River, LLC.

#### Is this Action Goal Related

No

#### Previous Action Taken

No Previous Action.

### **Summary Explanation/Background**

THE RESILIENT ENVIRONMENT DEPARTMENT (RED) AND THE HOUSING FINANCE DIVISION RECOMMEND APPROVAL OF THE ABOVE MOTION.

The Housing Finance Division (HFD) administers County loans which provide financing to affordable housing developments within the County. The mortgages for such loans routinely contain provisions that require County consent to the transfer of any beneficial interest in the Property, or any transfer of the beneficial ownership in the mortgagor.

On September 10, 2021, Ralph Stone, Director, HFD, received correspondence, attached as Exhibit 1 ("Correspondence"), requesting County consent, allowing for the transfer of certain ownership interests in the developments known as Avery Glen, located at 3871 Pine Island Road, in the City of Sunrise, and The Lofts in Tarpon River, located at 805 SE 3<sup>rd</sup> Avenue, in the City of Fort Lauderdale. The HOME loan amounts are as follows: Avery Glen, \$250,000, and The Lofts in Tarpon River, \$125,000. Section 21 of the Amended and Restated Mortgage dated June 6, 2011, executed by Avery Glen, LLC, in favor of the County, and the Amended and Restated Mortgage dated July 16, 2014, executed by The Lofts in Tarpon River, LLC, in favor of the County, each prohibit transfers of beneficial interests in the mortgagors without the County's prior written consent. Consents for transfer are being requested for family planning purposes, with ultimate transfers to family members of existing Principals of the development entity or entities. Family member interests will be non-voting and non-majority interests of PHG GP Holding, LLC ("Holding Company"), which in turn owns 100% of the membership interests of the Authorized Member of Borrowers Avery Glen, LLC, and The Lofts in Tarpon River, LLC.

Correspondence provides additional details regarding the ownership structure and the Principals of the Holding Company. If consent is provided, some of the ultimate economic interest in the above-referenced entities currently owned by the principals will be transferred to either family trusts (of which family members will be the beneficiaries) or entities (in which family members will have ownership interest) as reflected within the diagram entitled "Proposed Structure" included as page 4 of the Correspondence.

The final details of such transfers will be governed by the limits identified with the Proposed Structure diagram. No voting interests in the Holding Company will be transferred and each Principal's transfers will be restricted to transfer of 49% or less of its interest, specifically no more than 122 of 249 non-voting units it currently holds in the Holding Company.

### **Source of Additional Information**

Ralph Stone, Director, Housing Finance Division, (954) 357-5320.

### **Fiscal Impact**

#### **Fiscal Impact/Cost Summary**

No fiscal impact.