

COMMUNITY DEVELOPMENT DISTRICT GENERAL INFORMATION PRESENTATION

THE FOLLOWING INFORMATION IS GENERAL IN NATURE. EXACT LEVELS OF ASSESSMENTS, PAYOFF BALANCES ETC. FOR A SPECIFIC LOT OR PROPERTY MUST BE OBTAINED BY CONTACTING THE DISTRICT'S OFFICE.

CDD versus HOA

A community development district is a special purpose form of local government described as an “independent special taxing district” and as such is “public”. A homeowners association is a “not-for-profit corporation” which is made up of “members” or homeowners, within a specific geographic boundary and it is considered “private”.

A Community Development District may own and operate the stormwater drainage system, the Club facility and the entry features and landscaping. The Homeowners' Association typically oversees the “Deed Restriction” enforcement and Architectural Control of the Association. Each of these entities is distinctly different and operated at “arms length” of each other.

What is a CDD? It's Function etc.

As mentioned above the District is a special purpose form of local government that exists under Florida Statute, Chapter 190, which is considered its enabling statute and serves as its charter. Districts become official after a petition of all landowners within its proposed boundaries, is approved by an ordinance of the local general-purpose government (city or county) if the District is 1,000 acres and less. A district larger than 1,000 acres is approved by the Florida Land and Water Adjudicatory Commission.

The District functions as any local government. The District is governed by a Board of five Supervisors. Districts have similar powers as other local governments, with the exception of “police powers”. Therefore it can not have its own police department, building, zoning and compliance codes, etc. This would also include “deed restrictions” which is why community development districts normally have homeowners' associations organized within its boundaries.

The District is an “independent special taxing district” and therefore is not “dependent” on the next level of local general-purpose government, for funding, governance, etc. Standard municipal grade services are delivered to the residents by way of the County and paid by way of their real estate tax bill and its ad valorem portion. The District's operation is funded by way of non-ad valorem assessments on an owner's real estate tax bill. The District itself is tax exempt for most of its property with the exception of property that may be income producing.

Does the CDD ever go away?

As many believe, the District does not cease to exist or go away when its bonds have been paid off. The District may continue to exist for perpetuity. It may be dissolved by way of several events, such as merger with another community development district, or the local general- purpose government takes over all of the ownership of a district's facilities and financial responsibilities.

The Election Process

From its initial establishment until after its sixth year in existence, the Board of Supervisors is elected by way of a "landowner" election, wherein, all landowners of the District may participate and are entitled to one vote per acre or fraction thereof. By Statute, there are 5 Supervisors, no more or less.

The only requirements for candidates to meet, during the landowner election phase, are they must be citizens of both the United States and the State of Florida. Other than that Candidates may be whoever is placed into candidacy and can obtain enough votes to take a seat. After the sixth year as long as there are more than 250 "qualified electors" (registered voters) who reside within the confines of the District, the elections begin a transition, to the "General Election" phase.

At the next election after the sixth year mark with the prerequisite minimum number of registered voters (250), two of the three seats up for election, are held through the "General Election" process by the Supervisor of Elections of the County. Candidates must be registered voters residing within the confines of the District and who have met the criteria of being a candidate on the ballot. Landownership is not a requirement.

Candidates run for a "seat" number such as Seat 1 or Seat 2, etc. In the first General Election both of the seats are a four year term. The remaining position is still elected by way of a Landowner Election and is a 4 year seat as described by Statute.

There are certain criteria and filing requirements for General Election Candidates, including but not limited to the filing of a financial disclosure form, known as a Form 1, Statement of Financial Interests. In brief this form outlines the sources of a Candidates income and business interests. In addition there are filing fees, declaring of a campaign treasury, etc. These details are best addressed by contacting the County Supervisor of Elections Office.

In the eighth year after establishment and thereafter (as long as 250 registered voters continue to exist), all Candidates must be registered voters, residing within the confines of the District. Once again, there are no landownership requirements. Those seats are also 4 year seats.

Description of Bonds

The District may issue one or a series of bonds. These are Special Assessment Bonds. The District may issue Long Term or Short Term Bonds. The Short Term Bonds are paid off by the Developer when the lots are sold to a homebuilder, these are never assessed to the homeowner. The Long Term Bonds are the bonds that are re-paid by way of the debt service portion of the District's Non-Ad Valorem Assessments on a property owner's tax bill. The Long Term Debt is a fixed amount and typically paid back over the 30 year life of the bonds, by way of non-ad valorem assessments on the property owner's tax bill.

The principal balance of debt placed on the land/lot(s) may be paid off at anytime by the owner of the land/lot(s). The exact pay off amount may be received by contacting the District's Office.

What is the Operation & Maintenance Assessment?

The District annually adopts its General Fund Budget more commonly referred to as its Operations and Maintenance Budget. This is the budget that deals with the daily needs of the District, for its administration and operation of its facilities and infrastructure. Districts follow the budgeting process as described in FS. 190.008.

As part of this process the District must adopt a proposed budget which is transmitted to the Clerk of the Board of County Commissioners. The District after a minimum of 60 days after the submittal to the County must conduct at least one public hearing, to allow for public comment and testimony relating to the budget. After the public hearing, the Board of Supervisors will adopt the budget and the assessments necessary to fund the budget as approved by the Board of Supervisors.

The Operations and Maintenance Assessment, is the second component that makes up the non-ad valorem assessments property owners with the District will see on their annual Real Property Tax Bill from the County.

What Agreements exist between the HOA and the CDD?

As stated before, the HOA and CDD are independent of each other but may from time to time enter into agreements that are beneficial to both parties. This varies from community to community.