

CDD 101
Montecito CDD

10/5/17

GMS - CF

What is a CDD?

- Special Purpose District created under Chapter 190, Florida Statutes
- CDDs have limited powers which are defined in Chapter 190.
- Subject to Government in the Sunshine and Ethics Laws
- Subject to public records laws

What is a CDD? (cont.)

- Must adopt annual budgets in accordance with Florida Statutes and the Truth in Millage Act.
- Required to have an annual independent audit
- Disclosure requirements
 - Chapter 190 requires that the following language be inserted in the sales contract in bold conspicuous type immediately preceding the signature:

"THE (Name of District) COMMUNITY DEVELOPMENT DISTRICT MAY IMPOSE AND LEVY TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON THIS PROPERTY. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES OF THE DISTRICT AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE DISTRICT. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER LOCAL GOVERNMENTAL TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW."

What is a CDD? (cont.)

Under Chapter 190 (Florida Statute), CDDs have the power to:

“ . . . finance, fund, plan, establish, acquire, construct or reconstruct, enlarge, or extend, equip, operate, and maintain systems, facilities and basic infrastructures for the following, ”

- Public Roads
 - In-Tract & Major Arterial
 - Street Lights
 - Traffic Signals
- Water and Sewer Facilities
- Stormwater Management
- Landscaping
- Wetlands Mitigation
- Remediation/Environ. Cleanup
- Amenities
 - Parks
 - Recreation Centers
 - Golf Courses
 - Tennis Courts
- Offsite Improvements
- Purchase of Land For Public Improvements
- Professional Fees
- Public Facilities
 - School Buildings
 - Transit Shelters
 - Parking Structures
 - Fire Stations
- Conservation / Mitigation Areas
- Security
- Waste collection and disposal
- Government Mandated Projects

What is a CDD? (cont.)

They Can

- Finance, Construct, Acquire and Maintain Eligible Infrastructure Costs
- Issue Tax-Exempt Bonds
- Levy, Collect and Enforce Special Assessments for Debt Service and for Ongoing Maintenance of Facilities
- Place an Assessment Lien on the Property in the District to Secure the Bonds
- Contract for Professional Services

They Cannot

- Regulate Land Use
- Change Zoning
- Keep Public off District Owned (Public) Property
- Finance Private Roads or Improvements
- Finance Dedicated Improvements
- Issue Building Permits
- Issue/Amend Development Orders
- Provide Police and Fire Services

How are CDDs established?

- A petition is filed with the City, County or State
- Petition includes:
 - metes & bounds description
 - written consent by all landowners
 - designations of persons to be Board of Supervisors
 - proposed name of the district
 - map of proposed district
 - a statement of estimated regulatory costs
 - filing fee
 - mandatory public hearing

How are CDDs governed?

- Five (5) member board of supervisors
- Initially elected by landowners
- One vote per acre or part thereof
- Planned transition to qualified elector
- When a CDD reaches year 6 and has at least 250 registered voters 2 seats transition to residents through general election. In year 8, 2 additional seats transition and in year 10 the last seat transitions.

How are CDDs Financed?

- What are assessments?
 - Based on benefit to the property not value
 - Two statutory requirements for assessments:
 - Assessed properties must receive a special benefit from the improvements
 - Assessments must be allocated fairly and reasonably
- Types of assessments:
 - Fixed capital component to pay debt service
 - Variable component to pay for operating and maintenance

How are CDDs Financed? (cont.)

- How are assessment rates established?
 - Typically, the bond debt is allocated based on the number of assessable acres within the CDD. Then, when the property is platted it is converted to a per lot basis.
 - The O&M assessment is allocated on the same basis.

Why a CDD?

- Tool for continuity in the community
- Provides reliance and perpetuity
- Tax exempt financing and purchasing
- Sole purpose is to provide services
- Governmental checks and balances
 - Bidding requirements
 - Audit Requirement
 - Etc.

CDDs versus HOAs

- CDDs
 - Provide public infrastructure and services
 - Construct, acquire and maintain assets
 - Better Collection and Enforcement
 - Sovereign Immunity
- HOAs
 - Serve individual communities with private or limited use facilities and amenities
 - Provide day-to-day administration of individual communities that a CDD cannot efficiently deliver
 - Provides for enforcement of CC&Rs and ARC

Montecito CDD

- Created on July 20, 2005 by City of Satellite Beach Ordinance No. 904
- Consists of approximately 102 acres
- Provides Amenity, Landscaping, Common Area Maintenance Services
- Issued Series 2006 Bonds and Collects Assessments To Fund Annual Costs

FY 2018 Annual Assessments

- Single Family Home
 - O & M - \$2,033
 - Debt - \$1,200
- Townhome
 - O & M - \$1,525
 - Debt - \$900
 - Unplatted TH not assessed per agreement

QUESTIONS??