

COMMUNITY DEVELOPMENT DISTRICTS

WHAT IS A COMMUNITY DEVELOPMENT DISTRICT (“CDD”)?

- Independent special purpose district of local government created under Chapter 190, Florida Statutes
- CDDs have the power to finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems, facilities and basic infrastructure for public roadways, bridges, streetlights, traffic signals, water and sewer facilities, stormwater management, signage landscaping, amenities, public facilities, conservation/mitigation areas and security.

WHY A CDD?

- Tool for continuity in the community
- Independent unit of government with its own revenue sources
- Provides reliance and perpetuity for the homeowners and residents
- Tax exempt financing and purchasing
- Provide services to community
- Governmental checks and balances: budget, audit, public meetings, etc.
- Governed by landowners and residents in the community

WHAT CAN A CDD DO?

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
- Finance Private Roads or improvements
- Issue Building Permits
- Issue/Amend Development Orders
- Provide Police and Fires Services

HOW ARE CDDS ESTABLISHED?

- A Petition is filed with the City, County or State
- Petition includes:
 - metes and bounds description
 - written consent by all landowners
 - designation of persons to be Board of Supervisors
 - map of proposed district
 - a statement of estimated regulatory costs
- Requires a mandatory public hearing
- Established by ordinance

HOW ARE CDDS GOVERNED?

- Five (5) member board of Supervisors
- Initially elected by landowners
- One vote per acre or part thereof
- Planned transition to general election process

When a CDD reaches year 6 and has at least 250 registered voters, the supervisors are elected by qualified electors residing in the CDD and serve 4-year staggered terms

- CDD supervisors are public officials and subject to Florida Sunshine Law and Public Records Law

HOW ARE CDDs FINANCED?

- Tax exempt bonds, including long term bonds
- Bonds are secured by special assessments levied on property within the CDD boundaries
- Special assessments require: (1) property receives a special benefit from the improvements and (2) must be allocated fairly and reasonably
- Long term bonds (typically 30 years) require validation by the Court pursuant to Chapter 75, Florida Statutes
- Cost-effective method to finance public improvement needs of land development