

CDD 101

BRIDGEWATER COMMUNITY DEVELOPMENT DISTRICT

GENERAL BACKGROUND

What is a Community Development District (CDD)?

- Local unit of special purpose government
- Established under the Uniform Community Development Act of 1980 (Chapter 190, F.S.)
- Primary functions:
 - Provide a mechanism to finance, construct and maintain high-quality improvements and amenities
 - Issue tax-exempt bonds to finance cost of public infrastructure
 - Maintain public improvements, such as roadways, facilities, amenities, and common areas
 - Collect revenues and pay operating expenses
 - Levy assessments on lands benefited by improvements

Powers of CDDs

ALLOWED BY CHAPTER 190

- Construct and maintain public infrastructure
- Issue long-term bonds
- Issue short-term bonds
- Levy and collect non-ad valorem assessments for debt service
- Levy and collect operating and maintenance assessments
- Contract for services
- Provide security/recreational services
- Etc.

NOT ALLOWED BY CHAPTER 190

- Regulate land use/zoning
- Issue building permits
- Issue development orders
- Provide police services
- Enforce code compliance
- Enforce traffic regulations
- Etc.

Unit of Government

As a unit of government, a CDD is:

- Subject to the Government in the Sunshine Law
- Subject to Public Records laws
- Subject to certain reporting and disclosure requirements
- Subject to bidding requirements for certain projects
- Able to issue tax-exempt bonds to finance public improvements
- Able to enjoy the protections of sovereign immunity
- Exempt from sales tax

CDDs vs HOAs

CDDs

- Unit of government.
- Subject to open government and public records laws.
- CDD assessments are co-equal with County taxes, making them very secure.
- Able to finance large improvements through bonds, resulting in less financial burden on homeowners.
- Required to hold public hearings for certain actions.
- Board begins turnover to resident Board members as early as 6 years from establishment.
- Tax-exempt.

HOAs

- Private entity (not-for-profit corporation).
- Financing limited to annual assessments, shorter-term loans, and other private financing.
- Required to hold homeowner votes for certain decisions.
- Turnover to resident control usually occurs over a longer period (based on percentages of sold lots).
- Has control over deed restrictions on private lots.

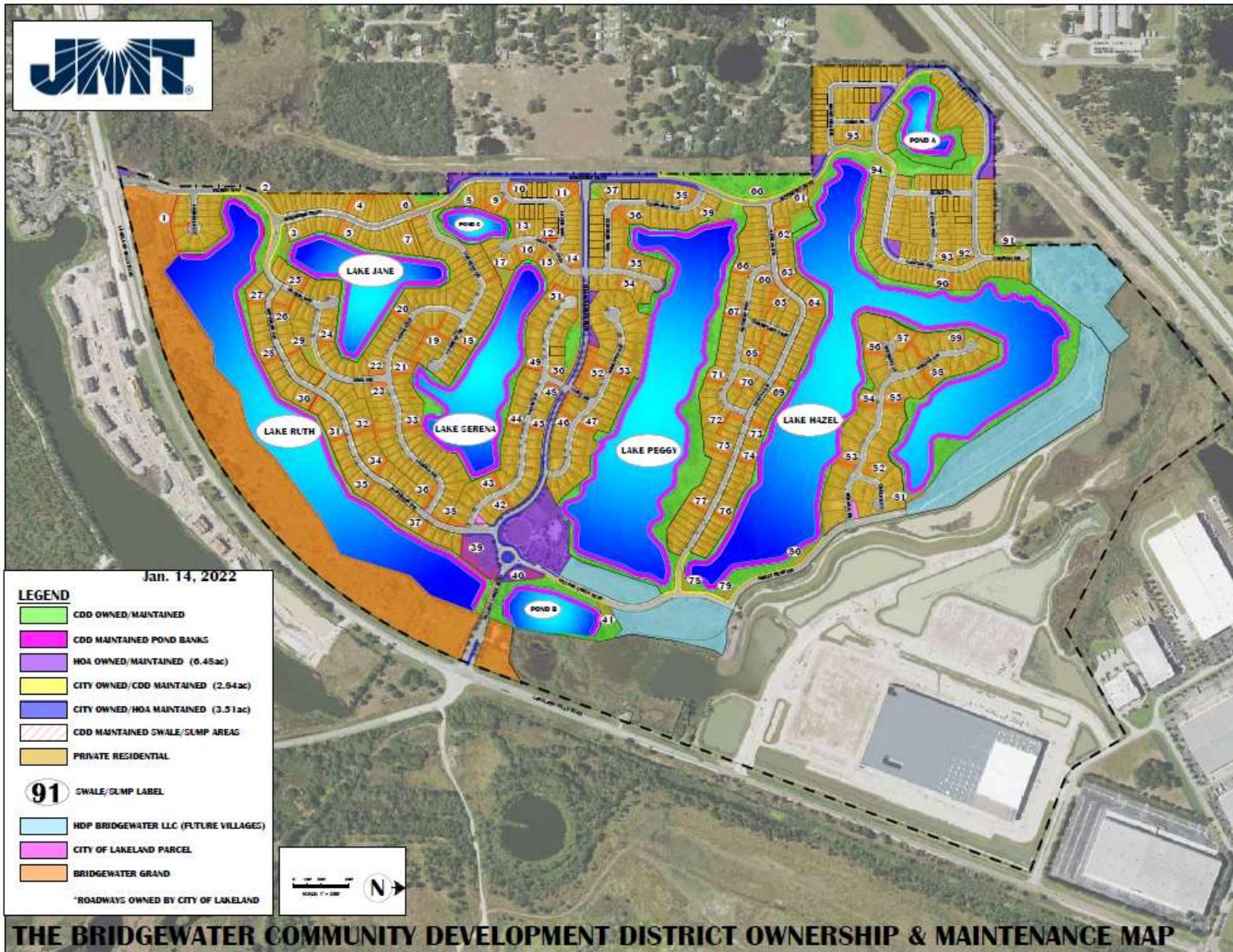
Responsibilities and Control (Bridgewater CDD)

CDD

- Stormwater Management System
- Certain Common Area Landscaping

HOA

- Deed restriction enforcement
- Community architectural control
- Homeowners' driveways and lawns
- Amenities



For a larger version, [click here](#)

CDD Finance Basics

Annual Budget

- Fiscal Year runs from October 1 to September 30.
- Proposed budget must be adopted before June 15 each year
 - If an O&M Assessment increase is proposed, homeowners will receive mailed notice
- Final budget must be adopted after a public hearing before October 1 each year (or earlier if required by the County for assessment collection).
- Describes anticipated expenditures and sources of funds.
- Available on the District's website: <https://www.bridgewatercdd.org/documents>
- Funds may be moved amongst line items by motion, but large changes may require an amendment by resolution.

What are Bonds?

- Long term, tax-exempt financing available to Bridgewater CDD because it is a unit of government with authority to issue long-term, tax-exempt debt.
- Must be validated by a court and comply with Florida law.
- May be repaid over up to 30 years.
 - Spreading costs over a longer period makes costs more manageable for homeowners.
 - Costs only paid at the time you own your house – assessments run with the land, not the property owner.
 - May be refunded to obtain better interest rates.

What are Assessments?

Debt Assessments

- Levied to repay bonds.
- One-time mailed and published notices + public hearing required.
- Usually collected on the tax roll.

Operations & Maintenance Assessments

- Levied to pay annual administrative, operational, and general maintenance costs of the District – adopted annually with budget.
- Includes reserves and amounts for maintaining current infrastructure.
- Mailed and published notices + public hearing required to increase above last noticed amount.
- Usually collected on the tax roll.

Annual Audit

- Required by statute.
- Must be completed by June 30 each year (unless an earlier deadline applies for bonds).
- Available on the Florida Department of Financial Services website.

Management and Control of the District

Staff Roles and Responsibilities

- District Manager
 - Receives authority from the same sources as the Chair, plus the agreement between the District and the management company.
 - The Board makes policy, and the District Manager implements the Board's policies.
 - Has “charge and supervision of the works of the District” and is responsible for preserving, operating and maintaining improvements, facilities, and equipment and for performing such other duties as may be prescribed by the Board.
 - In many cases, the District Manager can resolve resident issues between meetings. Please use the contact information on the District website to contact the District Manager with any questions or concerns.

Staff Roles and Responsibilities (cont.)

- District Counsel

- Works for the Board, not the District Manager or any Board member.
- Works with the District Manager and Staff to help protect the District from legal perils and achieve its goals.

- District Engineer

- Assists with the construction of the District's Capital Improvement Plan.
- Assists in the acquisition and conveyance of infrastructure.
- Assists with permit compliance.
- Assists with maintenance of infrastructure.

Board of Supervisors

The CDD is controlled by an elected 5-member Board of Supervisors.

Phase 1: Landowner Elections

- Initially, Supervisors are elected on an at-large basis by those owning property within the CDD.
- 1 acre of land = 1 vote (partial acres are rounded up).
- Candidates must be Florida residents and U.S. citizens.

Phase 2: General Qualified Electors

- Beginning six years after the initial appointment of Supervisors and once the CDD has at least 250 qualified electors, Supervisors begin to be elected through the general election process.
- Supervisors elected through the General Election process must be qualified electors (residents of the District who are at least 18 years old and registered to vote in Polk County) and serve four-year terms with staggered expiration dates.

Role of the Board

- Chapter 190 of Florida Statutes defines powers
- Policy making
- Retention of staff to implement policy
- Holding staff accountable for policy implementation
- Making material business decisions for the District (example, whether to issue bonds or enter into significant contracts)

Role of Individual Supervisors

- Receive input from constituents
- Propose new policies or policy changes
- Vote on proposals brought before the Board at meetings
- Note: Supervisors cannot discuss district business with each other between Board meetings.

District Officers

- Chair – Elected by the Board; has certain powers to sign documents, convene meetings, authorize emergency expenditures, and take other actions permitted by law/rule/policy.
- Vice Chair and Assistant Secretaries –
 - Vice Chair fulfills the duties of the Chair when the Chair is absent.
 - Assistant Secretaries who are Board members can fulfill the role of Chair when the Chair and Vice Chair are both absent.
 - Assistant Secretaries who are not Board members have certain signing/attestation authority.
- Treasurer – statutory position; has charge of the funds of the District. Required to provide a bond and/or insurance. Does not need to be a Board member.
- Secretary – Does not need to be a Board member. Responsible for maintaining minutes, retaining records, coordinating certain disclosures. Required to provide a bond and/or insurance.

Meeting Procedures

- Call meeting to order
- Roll Call
- Public Comment (3 minutes, not a Q&A)
- District Business
 - Decisions are made by a majority vote of the Supervisors present (may vote by phone if a physical quorum is present)
 - Motion, second, all in favor
 - District has not adopted Robert's Rules of Order but does follow procedures to maintain decorum
- Public hearings (rules, assessments, etc.)
 - Separate published notice
 - Separate public comment opportunity

Public Comment

- An opportunity is provided at the beginning of each meeting for public comments on agenda items.
- Limited to 3 minutes per person
- NOT a Q&A with the Board. The board is not required to have discussions or answer questions during public comment. If your question is not answered, you may follow up with District staff after the meeting.
- Maintain decorum – rude, threatening, or disrespectful behavior toward the Board, staff, or other meeting attendees will not be tolerated.
- You do not need to wait for a meeting to bring issues to staff's attention – please use the contact information on the District's website to contact the District Manager with questions/concerns.