

# Overview of Community Development Districts

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# 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.)**
- **Acts as an independent taxing district**
- **Controlled by elected Board of Supervisors (Registered voters/Residents)**
- **Establishes own budget separate from local government entity**
- **Multi-use master development of normally less than 1,000 acres**

# Primary Functions of a CDD

- **Provide a mechanism to finance, construct and maintain high quality improvements and amenities**
- **Issue tax-exempt bonds to finance cost of infrastructure**
- **Maintain roadways, facilities and common areas**
- **Collect revenues and pay operating expenses**
- **Levy assessments on lands benefited by improvements**

# Powers of The District

## Allowed By F.S. 190:

- **Construct and maintain infrastructure**
- **Issue long-term bonds**
- **Issue short-term bonds**
- **Levy non-ad valorem assessments for debt service**
- **Levy and collect operating and maintenance assessments**
- **Contract for services**
- **Enforce deed restrictions (Limited)**

## Not Allowed By F.S. 190:

- **Regulate land use/Zoning**
- **Issue building permits**
- **Issue development orders**
- **Provide Police services**
- **Enforce code compliance**

# Typical Construction Costs Financed By the District

- **Roadways**
- **Sewer facilities**
- **Water lines**
- **Drainage / Stormwater management**
- **Recreational facilities**
- **Parks**
- **Landscaping**
- **Entrance features**
- **Street lighting**
- **Security walls**
- **Engineering fees**
- **Legal fees**
- **Financing costs**
- **Permits**
- **Testing fees**
- **Off-Site improvements**
- **Conservation areas/Wetlands mitigation**

# CDD Bond Issues

## Long-Term Bonds:

- **Maximum 30 year maturity**
- **Fixed rate**
- **Levied only on parcels benefited**
- **Debt service assessments paid by property owners**
- **Principal plus interest**

## Short-Term Bonds:

- **5 to 10 Year maturity**
- **Fixed rate**
- **Levied only on parcels benefited**
- **Debt service assessments paid by developer (Not homeowner)**
- **Interest only**

# **Debt Service Assessments: Long-Term**

- **Long-term (30 years)**
- **Principal and interest**
- **Assessed only on benefited parcels**
- **Allocated to each parcel based on benefit received from construction of infrastructure- not based on value of lot or completed home**
- **Lien on the property - runs with the land**
- **Placed on property tax bill - Revenues collected are used to pay debt service expenses from November 1st through October 30th**
- **Can be prepaid by Homeowner**
- **Liens are co-equal with taxes, county or other special assessment liens**
- **Amount remains fixed for the life of the bonds**

# Debt Service Assessments: Short-Term

- **Interest only - Semi annual payments**
- **Responsibility of the developer or home builder**
- **Allocated to each parcel based on benefit received from construction of infrastructure- not based on value of lot or completed home**
- **Principal due at end of term**
- **Principal is be prepaid by developer as lots are sold**
  - **Collected by title company at closing**
  - **Includes principal, interest and applicable credits**
- **Coordination with Collection Agent**
- **Lien release issued after closing**



# **Operations & Maintenance Assessments**

- **Based on operating budget and approved at annual public hearing**
- **Includes field maintenance and administrative costs**
- **Varies from year to year**
- **Allocated to property owners based on benefit received from the infrastructure owned and maintained by the district**
- **Placed on property tax bill - Revenues collected are used to pay maintenance expenses from October 1st through September 30th**
- **Liens are co-equal with taxes, county or other special assessment liens**

# Advantages of Living in a Community Development District

- **High quality improvements and amenities**
- **District outlives the developer / home builder**
- **Stability of collection of payments**
- **Better than homeowners association**
- **Property values generally remain at a higher level**
- **Community ultimately controlled by residents - not developer**
- **Resident pays only for time living in community**

# Pasco County Community Development Districts

- Ballantrae
- Belle Verde East
- Belle Verde Golf
- Belle Verde Lake
- Bridgewater of Wesley Chapel
- Chapel Creek
- Concord Station
- Connerton West
- Dupree Lakes
- Heritage Pines
- Heritage Springs
- Highland Lakes
- Lake Bernadette
- Lakeshore Ranch
- Lexington Oaks
- Longleaf
- Meadow Pointe
- Meadow Pointe II
- Meadow Point III
- Meadow Pointe IV
- Meadow Woods
- New River
- Northwood
- Oak Creek
- Oakstead
- Preserve At Wilderness Lake
- Riverwood Estates
- Seven Oaks I
- Seven Oaks II
- Summit View
- Suncoast
- Talavera
- The Groves
- Verandahs
- Watergrass
- Waters Edge
- Zephyr Ridge