CDD "101" Workshop

Avalon Groves CDD

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Overview of CDDs



Over 2/3 of Florida's 17 communities in the U.S. Top 50 are CDDs

1. The Villages
2. Lakewood Ranch
5. Babcock Ranch
10. Vierra
12. Epperson
18. Ave Maria
21. Westlake
34. Tradition
37. Lake Nona
41. Nocatee
43. On Top of the World
44. Mirada
48. Southshore Bay



RANK	MPC	CITY, STATE	DEVELOPER	SALES 2022	SALES 2021	SALES %Δ
1	The Villages	The Villages, Florida	The Villages	3,923	4,004	-2%
2	Lakewood Ranch	Sarasota, Florida	Schroeder-Manatee Ranch, Inc.	1,846	2,574	-28%
3	Silverleaf	St. Augustine, Florida	Hutson Companies	1,034	929	11%
4	Cane Bay Plantation	Charleston, South Carolina	Gramling Brothers	959	1,147	-16%
5	Babcock Ranch	Punta Gorda, Florida	Kitson and Partners	934	714	31%
6	Silverado*	Aubrey, Texas	D.R. Horton	820	411	100%
7	Mission Ridge	El Paso, Texas	Hunt Communities	805	811	-1%
8	Sunterra	Katy, Texas	Land Tejas/Starwood Land	795		
9	Summerlin	Las Vegas, Nevada	Howard Hughes Corporation	782	1,619	-52%
10t	Viera	Melbourne, Florida	The Viera Company	722	732	-1%
10t	Wellen Park (formerly West Villages)	Venice, Florida	Wellen Park LLLP	722	951	-24%
12	Epperson	Wesley Chapel, Florida	Metro Development Group	719	690	4%
13	Marvida	Cypress, Texas	Land Tejas/Starwood Land	635		
14	Ontario Ranch*	Ontario, California	Multiple Developers*	626	1,070	-41%
15	Latitude Margaritaville - Watersound	Panama City Beach, Florida	Minto Communities	605	430	41%
16	Latitude Margaritaville - Daytona Beach	Daytona Beach, Florida	Minto Communities	600	707	-15%
17	Valencia	Valencia, California	FivePoint Communities	594	347	71%
18	Ave Maria	Ave Maria, Florida	Barron Collier Companies	586	646	-9%
19	Cadence	Henderson, Nevada	The LandWell Company	571	864	-34%
20	Bridgeland	Cypress, Texas	Howard Hughes Corporation	567	713	-20%
21	Westlake	West Palm Beach, Florida	Minto Communities	551	608	-9%
22	Inspirada	Las Vegas, Nevada	Inspirada Builders LLC	517	761	-32%
23	Tavola	New Caney, Texas	Friendswood Development Co.	508	435	17%
24	Valley Ranch*	San Antonio, Texas	D.R. Horton	505	498	1%

*Denotes MPCs whose annual sales are estimated based on early December sales pace information. Sales information will be updated after final numbers are submitted by developers throughout the month of January.

submitted by developers throughout the month of January.



CDD v. HOA

ADVANTAGE	CDD	Developer / HOA
INFRASTRUCTURE COSTS	YES – Infrastructure Costs Less Now	NO - Infrastructure Costs More
FUTURE COST SAVINGS	YES – Infra. Costs Less to Refurbish	NO - Infrastructure Costs More
DEFAULT PROTECTION	YES – Money in Bank Trust Estate	NO
TAX ROLL COLLECTION	YES – CDD can collect on the tax roll	NO
SOVEREIGN IMMUNITY	YES – Protected from frivolous suits	NO
TURNOVER TO RESIDENTS	Relatively Faster Turnover	90%+ Build-Out
FEMA FUNDING	Typically YES	Typically NO
ACCOUNTABILITY	MORE Accountable	LESS Accountable
LONG-TERM VALUE	Greater Ability to Maintain Value	LESS Ability

What can a CDD do?

Allowed By F.S. 190:

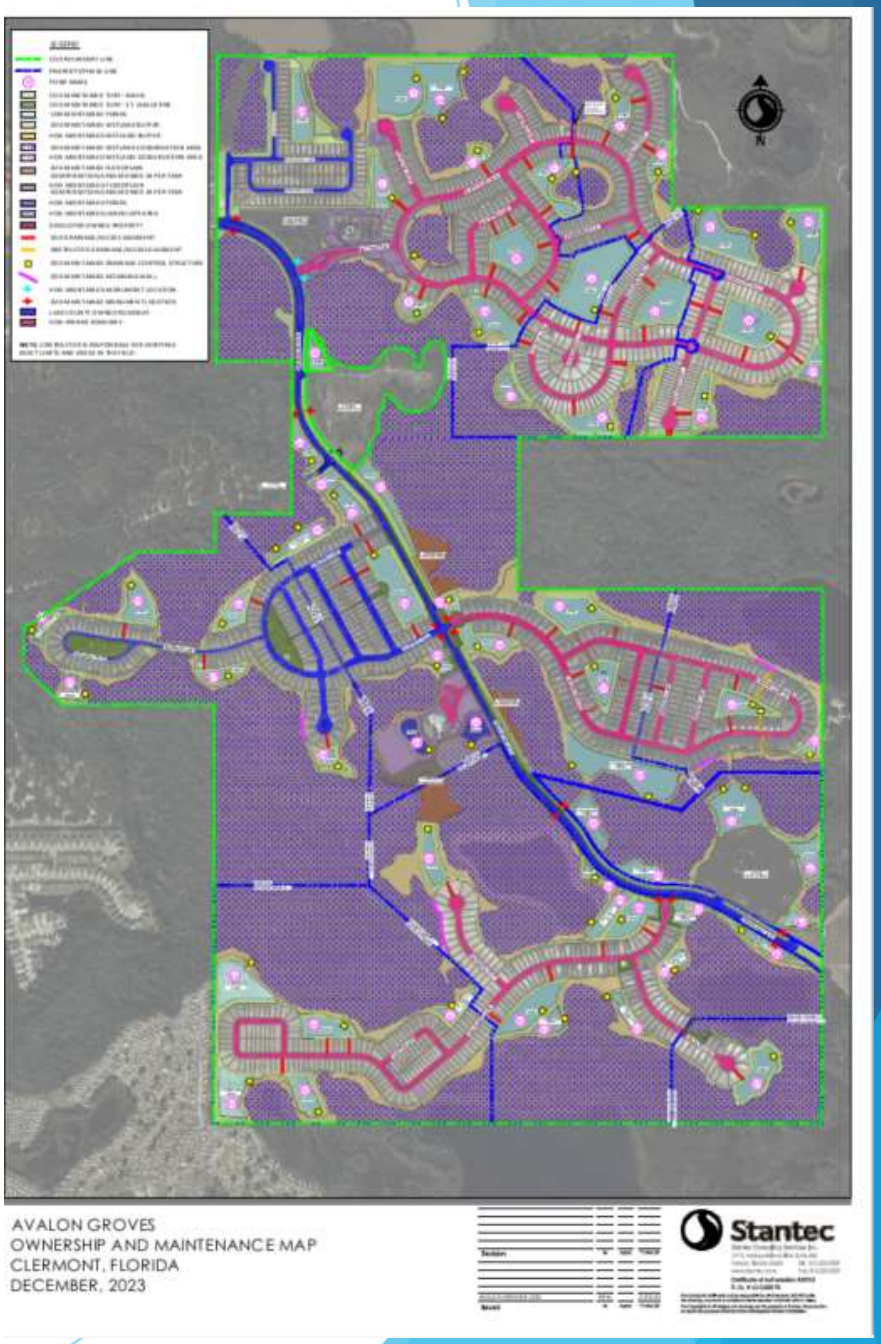
- Construct and maintain public infrastructure
- Issue long-term bonds
- Levy and collect non-ad valorem assessments for debt service
- Levy and collect operating and maintenance assessments
- Contract for services

Not Allowed By F.S. 190:

- Issue building permits
- Regulate land use/zoning
- Issue development orders
- Provide police services
- Enforce code compliance
- Architectural review

CDD O&M Items

- CDD owns and maintains:
  - Stormwater System
    - Ponds, structures, etc.
    - Drainage Easements
    - Retaining Walls
  - Conservation Areas
  - Street Lights
  - PLUS Edgemont ONLY:
    - Roads, Amenities, Hardscape, Landscape, Irrigation, Etc.



Board Meetings

Your Day-to-Day Administrative Team

District Manager	District Counsel	District Engineer
Administrator of the CDD Oversees the CDD's operations Prepares budget and administers accounting and finance functions	Legal counsel to the CDD Ensures that the CDD conducts its business in accordance with Florida law	Engineer of the CDD Provides support services regarding planning, designing, permitting, construction, and operation and maintenance of the CDD's infrastructure
Heath Beckett, Kyle Darin & Shirley Conley Vesta Property Services	**Bennett Davenport** Kutak Rock	**Greg Woodcock, P.E.** Stantec

CDD Operations:

Governing Documents

- Florida Statutes- Chs. 112, 170, 189, 190, 197, F.S.
- Establishment Ordinance
- Adopted Resolutions
- Adopted Rules of Procedure

CDD Operations:

Administration

- CDD Records- all physical records are kept at the District Office
- CDD Website- contains CDD agendas, minutes, financial documents, etc.
- CDD Emails- provided to each Supervisor for use in their official CDD business and to correspondence with staff and constituents

Board Meeting Agendas and Protocol

- District Business:
  - Most policy is adopted by Resolution (versus by an "Ordinance" like the City or County)
  - Some items require public hearings- i.e. rules, rates, assessments, etc.
- Public Notice of Meetings- at least 7 days prior to meeting
  - Newspaper advertisement
  - Agenda package is distributed by email to distribution list
  - Agenda package is placed on CDD website (www.avalongrovescdd.com)
- Meetings are open to the public
- Members of the public are able to provide comments on agenda items
  - During "Audience Comments" portion of agenda only
  - 3-minute limit
  - Not a Q&A session

Budgets & Assessments

Annual Budget Process

- **By June 15th** – the District Manager presents the proposed budget at a CDD Board meeting
  - **If assessments increase above the previously noticed amount, the CDD mails a notice to residents**
- **By October 1st** – the District Manager presents updates to proposed budget (if any) at the Board meeting
  - The Board receives comments and/or objections to the budget during budget hearing
  - The Board may adjust and/or decrease budget based on comments received, but may not increase the assessments higher than the noticed amount
- **The CDD will hold its budget hearing no sooner than 60 days after approving the proposed budget**

CDD Assessments

- **There are 2 components of Special Assessments:**
  1. Debt Service Assessments ("Debt Assessments")
  2. Operations & Maintenance Assessments ("O&M Assessments")

- **Special Assessments**
  - Annual assessments on platted lots placed on the property tax bill
  - Liens are co-equal with taxes
  - Different from quarterly or "one-time" special assessments imposed by the HOA

CDD Assessments

O&M Assessments

- Based on the operating budget approved at the annual public hearing
- May change from year to year
- Directly tied to the operating expenses of the CDD
- Includes administrative costs and field maintenance expenses
- Cannot be paid off

Debt Assessments

- Established at bond issuance
- Does not change from year to year
- Repays the debt service on the bonds used to pay for public infrastructure
- Can be paid off

CDD Budget & Assessments

- Visit: avalongrovescdd.org/documents

AVALON GROVES CDD
FISCAL YEAR 2023-2024 ADOPTED BUDGET
GENERAL FUND, OPERATIONS & MAINTENANCE (O&M)

	FY 2023 ADOPTED	FY 2024 ADOPTED	VARIANCE FY 2023 TO 2024
REVENUE:			
SPECIAL ASSESEMENTS	$ 838,110	$ 991,760	$ 153,650
MISCELLANEOUS	-	-	-
TOTAL REVENUE:	**838,110**	**991,760**	**153,650**
EXPENDITURES:			
GENERAL ADMINISTRATIVE:			
SUPERVISOR COMPENSATION	12,000	12,000	-
DISTRICT MANAGEMENT SERVICES	32,960	32,960	-
BANK FEES	150	150	-
AUDITING	3,400	3,400	-
REGULATORY AND PERMIT FEES	175	175	-
LEGAL ADVERTISEMENTS	4,000	4,000	-
ENGINEERING SERVICES	12,000	15,000	3,000
LEGAL SERVICES	25,000	25,000	-
TECHNOLOGY & WEBSITE ADMIN.	2,015	2,015	-
MISCELLANEOUS (appraisal, mailing, etc.)	1,500	1,500	-
TOTAL GENERAL ADMIN.	**93,200**	**96,200**	**3,000**
INSURANCE:			
INSURANCE	12,000	12,000	-
TOTAL INSURANCE	**12,000**	**12,000**	**-**
DEBT SERVICE ADMIN. :			
DISCLOSURE REPORT	5,150	5,150	-
ARBITRAGE REBATE REPORT	1,500	2,000	500
TRUSTEE FEES	10,500	12,000	1,500
TOTAL DEBT SERVICE ADMIN.	**17,150**	**19,150**	**2,000**
UTILITIES:			
UTILITIES-ELECTRICITY	6,180	6,180	-
STREETLIGHTS	160,800	230,000	69,200
UTILITY WATER	40,000	40,000	-
TOTAL UTILITIES:	**206,980**	**276,180**	**69,200**
PHYSICAL ENVIRONMENT:			
LAKE & POND MAINTENANCE	52,000	54,600	2,600
LANDSCAPE MAINTENANCE	300,000	314,715	14,715
LANDSCAPE - REPLENISHMENT	15,000	15,285	285
WETLAND MITIGATION & MONITORING	37,000	38,850	1,850
FIELD MANAGEMENT	6,180	6,180	-
FIELD CONTINGENCY	28,900	88,900	60,000
HARDSCAPE REPAIRS & MAINT.	15,000	15,000	-
STORMWATER REPORTING	25,000	25,000	-
PORTER SERVICES	10,000	10,000	-

AVALON GROVES CDD
FISCAL YEAR 2023-2024 ADOPTED BUDGET
ASSESSMENT ALLOCATION

ADMIN BUDGET	
NET O&M ADMIN BUDGET	$127,350.00
COUNTY COLLECTION COSTS	$2,709.57
EARLY PAYMENT DISCOUNT	$5,419.15
GROSS O&M ADMIN ASSESSMENT	$135,478.72

FIELD BUDGET	
NET O&M FIELD BUDGET	$864,410.00
COUNTY COLLECTION COSTS	$18,391.70
EARLY PAYMENT DISCOUNT	$36,783.40
GROSS O&M FIELD ASSESSMENT	$919,585.11

UNITS ASSESSED					ALLOCATION OF ADMIN O&M ASSESSMENT					ALLOCATION OF FIELD O&M ASSESSMENT				
SERIES 2017A-1 (AA2) SERVICE	SERIES 2019 DEBT SERVICE	SERIES 2021 (AA1) DEBT SERVICE	SERIES 2021 (AA3) DEBT SERVICE	SERIES 2022 DEBT SERVICE	ERU FACTOR	TOTAL ERU's	% TOTAL ERU's	TOTAL ADMIN O&M	ADMIN O&M PER LOT	ERU FACTOR	TOTAL ERU's	% TOTAL ERU's	TOTAL FIELD O&M	FIELD O&M PER LOT
	300				1.00	301.0	20.41%	$27,646.84	$91.85	1.00	301.0	20.83%	$191,553.71	$636.39
		276			1.00	276.0	18.71%	$25,350.60	$91.85	1.00	276.0	19.10%	$175,643.94	$636.39
2					1.00	83.0	5.63%	$7,623.55	$91.85	1.00	83.0	5.74%	$52,820.46	$636.39
89					1.00	295.0	20.00%	$27,095.74	$91.85	1.00	295.0	20.42%	$187,735.37	$636.39
5					1.00	102.0	6.92%	$9,368.70	$91.85	1.00	102.0	7.06%	$64,911.89	$636.39
					0.10	30.0	2.03%	$2,755.50	$9.18					
			133		1.00	133.0	9.02%	$12,216.05	$91.85	1.00	133.0	9.20%	$84,640.01	$636.39
			115		1.00	115.0	7.80%	$10,562.75	$91.85	1.00	115.0	7.96%	$73,184.97	$636.39
			47		1.00	48.0	3.25%	$4,408.80	$91.85	1.00	48.0	3.32%	$30,546.77	$636.39
				92	1.00	92.0	6.24%	$8,450.20	$91.85	1.00	92.0	6.37%	$58,547.98	$636.39
98	300	276	295	92		1475.0	100.00%	$135,478.72			1445.0	100.00%	$919,585.11	

PER UNIT ANNUAL ASSESSMENT[2]						FY 2023 PER UNIT	$ VARIANCE PER UNIT	% VARIANCE PER UNIT	AMOUNT NOTICED[3]
SERIES 2017A-1 (AA2) SERVICE	SERIES 2019 DEBT SERVICE	SERIES 2021 (AA1) DEBT SERVICE	SERIES 2021 (AA3) DEBT SERVICE	SERIES 2022 DEBT SERVICE	TOTAL PER UNIT[1]				
	$744.31				**$1,784.98**	$1,707.76	$77.21	4.5%	$77.21
		$744.30			**$1,784.97**	$1,707.75	$77.21	4.5%	$77.21
1,041.73					**$1,769.97**	$1,692.76	$77.21	4.6%	$77.21
1,145.90					**$1,874.15**	$1,796.93	$77.21	4.3%	$77.21
1,250.08					**$1,978.32**	$1,901.11	$77.21	4.1%	$77.21
SERENOA LAKES (AA3)									
MULTI-FAMILY	$9.18				**$9.18**	$8.82	$0.36	4.1%	$0.36
SINGLE FAMILY 40'	$728.24				**$1,832.11**	$1,754.89	$77.21	4.4%	$77.21
SINGLE FAMILY 50'	$728.24		$1,103.86		**$1,954.76**	$1,877.54	$77.21	4.1%	$77.21
SINGLE FAMILY 60'	$728.24		$1,226.52		**$2,200.06**	$2,122.85	$77.21	3.6%	$77.21
			$1,471.82						
EDGEMONT (AA4)									
SINGLE FAMILY	$728.24			$1,487.92	**$2,216.16**	$1,576.16	$640.00	40.6%	$640.00

[1] Reflects the total number of lots with Series 2017A (AA1), 2017A-1 (AA2), 2019, 2021 (AA1), 2021 (AA3) and 2022 debt outstanding.
[2] Annual debt service assessments per unit adopted in connection with the Series 2017A (AA1), 2017A-1 (AA2), 2019, 2021 (AA1), 2021 (AA3) and 2022 bond issuances. Annual Debt Service Assessments includes principal, interest, County collection costs and early payment discounts.
[3] Annual assessments that will appear on the November, 2023 Lake County property tax bill. Amount shown includes all applicable county collection costs (2%) and early payment discounts (up to 4% if paid early).

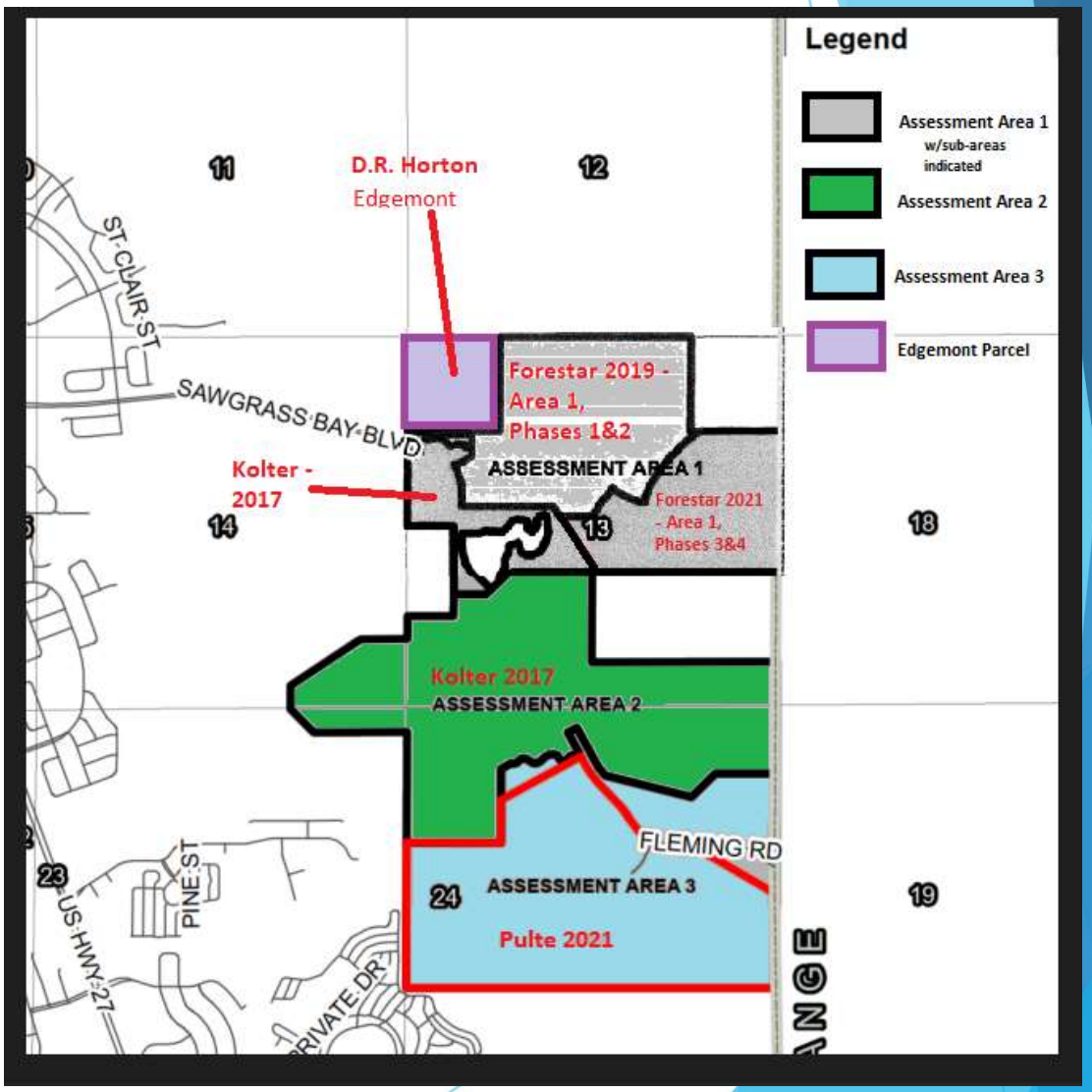
CDD Budget & Assessments

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UNIT SIZE & PHASE	PER UNIT ANNUAL ASSESSMENT [2]							
	TOTAL O&M PER UNIT	SERIES 2017A (AA1) DEBT SERVICE	SERIES 2017A-1 (AA2) DEBT SERVICE	SERIES 2019 DEBT SERVICE	SERIES 2021 (AA1) DEBT SERVICE	SERIES 2021 (AA3) DEBT SERVICE	SERIES 2022 DEBT SERVICE	TOTAL PER UNIT [3]
PALMS AT SERENOA (AA1)								
SINGLE FAMILY (PH. 1 & 2)	$728.24	$312.43		$744.31				**$1,784.98**
SINGLE FAMILY (PH. 3 & 4)	$728.24	$312.43			$744.30			**$1,784.97**
SERENOA VILLAGE (AA2)								
SINGLE FAMILY 40'-45'	$728.24		$1,041.73					**$1,769.97**
SINGLE FAMILY 50'	$728.24		$1,145.90					**$1,874.15**
SINGLE FAMILY 60'	$728.24		$1,250.08					**$1,978.32**
SERENOA LAKES (AA3)								
MULTI-FAMILY	$9.18							**$9.18**
SINGLE FAMILY 40'	$728.24					$1,103.86		**$1,832.11**
SINGLE FAMILY 50'	$728.24					$1,226.52		**$1,954.76**
SINGLE FAMILY 60'	$728.24					$1,471.82		**$2,200.06**
EDGEMONT (AA4)								
SINGLE FAMILY	$728.24						$1,487.92	**$2,216.16**

Avalon Groves CDD Debt Issuances

- Project broken into 4 assessment areas:
  - Assessment Area 1 (Forestar/Kolter)
  - Assessment Area 2 (Kolter)
  - Assessment Area 3 (Pulte)
  - Edgemont (DR Horton)



Avalon Groves CDD Debt Issuances

- Special Assessment Bonds, Series 2017 (Assessment Area One Project)
- Special Assessment Area Bonds, Series 2017A-1 (Assessment Area Two Project)
- Special Assessment Area Bonds, Series 2017A-2 (Assessment Area Two Project)
- Special Assessment Area Bonds, Series 2019 (Phases 1 and 2 Sub-Assessment Area One Project)
- Special Assessment Area Bonds, Series 2021 (Assessment Area Three Project)
- Special Assessment Area Bonds, Series 2021 (Phases 3 and 4 Sub-Assessment Area One Project)
- Special Assessment Area Bonds, Series 2022 (Assessment Area Four Project)

CDD Governance

Board of Supervisors

- The Board of Supervisors consists of five (5) members called Supervisors
- Serves as the governing body of the District
- Receive input from constituents
- Makes material business decisions for the District
- Sets public policies implemented by staff
- Action taken shall be by majority vote of the board
- Authority of Chairperson/Vice-Chairperson set by Rules of Procedure

General Elections

- Held after CDD has been established for six years and has ≥ 250 qualified electors
- Conducted by the County Supervisor of Elections
- One vote per qualified elector
- Open to qualified electors – citizens of the United States, residents of the CDD, and registered to vote (including renters)

Sunshine Laws

Sunshine Law

- Chapter 286, Florida Statutes – "The Government in the Sunshine Law"
  - Broad right of public access to governmental proceedings.
  - Applies to any board or commission of any state agency or authority, or any agency or authority of any county, municipal corporation or political subdivision.
- Three Basic Requirements:
  - Formal and informal meetings where public business is discussed must be open to the public.
  - Meetings must be reasonably noticed.
  - Minutes must be taken.
- Applies to all forms of communication (e.g., phones, emails, conduits, social media, text messages, etc.)
- Exceptions for security AND active litigation
- There are a number of ways to maximize Board efficiency & comply
  - Advance Memos
  - Workshops
  - Etc.

Questions?