



ITEM SUMMARY

MEETING DATE: July 18, 2022

FROM: Kara Irwin-Ferris, AICP, Development & Neighborhood Services Director

SUBJECT: **Ordinance 2022-22, Blossom Trail**
Community Development District (CDD)

BACKGROUND

A request from Forestar (USA) Real Estate Group Inc. to establish a Community Development District (COD) for Blossom Trail. Blossom Trail (fka Nash Trail) is generally located on the west side of Haverhill Road, south of Lake Worth Drainage District L-15 Canal, north of Nash Trail and south of 52nd Drive South (5650 and 5696 52nd Drive South; 5141 and 5329 Nash Trail; 5690, 5601, and 5533 Carmel Lane; 5625 50th Way South; 5595 and 5519 Haverhill Road).

On July 13, 2020, Ordinance 2020-03 was adopted by the City Council to provide for a referendum on the question of annexation for the registered electors within the Nash Trail Area. The city held the referendum on annexation at the next regularly scheduled election, August 18, 2020. The referendum passed with 75% of the registered electors and the Annexation Ordinance became effective ten (10) days after the referendum, on August 28, 2020.

On January 3, 2022, the City Council adopted Ordinance 2021-05, approving a large-scale Future Land Use Map amendment designating the future land use for the subject site as Residential-Medium Density (RS-MD) and Residential High Density (RS-HD). On the same date, the City Council approved a rezoning for the subject site through the adoption of Ordinance 2021-06, to apply a City of Greenacres zoning designation of Residential Medium Density-2 (RM-2) and Residential High Density (RH) to the subject site.

The Blossom Trail Planned Unit Development was approved on January 3, 2022, through the adoption of Resolution 2021-31 for seventy-six (76) single-family homes with a zero-lot line design and 154 townhome units within a planned unit development. Currently, the applicant is requesting approval from the City Council to establish a Uniform Community Development District (CDD) on the site.

Authority for CDDs was established by Florida's Uniform Community Development District Act of 1980. Community Development Districts are a local, special-purpose government framework authorized by Chapter 190, *Florida Statutes*, and is an alternative for managing and financing infrastructure required to support development of a community. The State of Florida has over 600 CDDs. The City of Greenacres has no previously approved CDDs in the city.

ANALYSIS

The Applicant is requesting to establish a CDD, as provided for in the *Florida Statutes*. CDDs are a local, special-purpose government framework authorized by Chapter 190, *Florida Statutes*, and is an alternative for managing and financing the infrastructure required to support development of a community.

The CDD is a financing mechanism for the infrastructure costs associated with the project. The specific services that are provided are up to the landowners/residents, and, generally, the initial price for property owners within the CDD is lower due to deferred infrastructure costs. However, all infrastructure must be built in accordance with the Master Plan for the PUD and related approving exhibits.

CDD Services:

The specific services proposed to be addressed through the CDD include Wastewater Collection System; Water Distribution System; Surface Water Management and Drainage Systems; Offsite Improvements; and Professional Services. The bond terms will be set at bond pricing, and the assessment allocation will be set forth in an Assessment Methodology adopted by the CDD Board of Supervisors. The Applicant has provided a "good faith" assessment and bond assumption; these are preliminary estimates subject to change and amendment as they cannot be established until the CDD Board of Supervisors is established:

Assessment Assumptions:

Improvement	Estimated Costs	Financing / Construction Entity	Final Owner	Maintenance Entity
Stormwater Management System	\$1,749,780.00	CDD	CDD	CDD
Roadways	\$1,595,340.00	Developer	HOA	HOA
Water & Wastewater Systems	\$1,413,975.00	CDD	CDD/County	CDD/County
Offsite Improvements	\$1,200,000.00	CDD	City/County	City/County
Professional Services	\$1,072,637.10	CDD	CDD	N/A
Contingency	\$1,191,819.00			
TOTAL	\$8,223,551.10			

CDD Board of Supervisors:

The CDD will be governed as required by Chapter 190, *Florida Statutes*. The general duties of a CDD are set forth in Section 190.007, *Florida Statutes*, and the general and special powers of a CDD's Board of Supervisors are set forth in Section 190.011 and Section 190.012, *Florida Statutes*, respectively.

Section 190.006, *Florida Statutes*, sets forth the process of election of the Board of Supervisors of the District. The statute provides that, within 90 days following the effective date of the ordinance establishing the District, the landowners of the District shall hold a meeting and elect the initial five (5) members. The term of the office of a supervisor is either two (2) or four (4) years. The two (2) candidates receiving the highest number of votes

shall be elected for four (4) years, and the three (3) candidates receiving the next largest number of votes shall be elected for two (2) years. Thereafter, the statutory process provides for elections of members every two (2) years in November. After the District reaches its sixth year in existence and there are at least 250 qualified electors residing in the District, the positions of two (2) board members whose terms are expiring shall be filled by qualified electors of the District elected by the qualified electors of the District for four-(4) year terms.

As the terms expire for the remaining board members, these board members shall be qualified electors elected by qualified electors of the District for a term of four (4) years.

Following an initial period during which the District's non-ad valorem assessments may be collected from the developer/landowners by direct bill, the non-ad valorem assessments levied by the District to pay debt service on the District's special assessment bonds payable over a 30-year period, as well as the District's operation and maintenance assessments, will be collected by the District utilizing the Uniform Method (i.e., on the Palm Beach County Tax Roll) pursuant to Section 197.3632, *Florida Statutes*

Disclosure:

The *Florida Statutes* have specific provisions for disclosure regarding the proposed District. Section 190.048, *Florida Statutes*, requires that each contract for the initial sale of residential real property in the District shall contain a disclosure statement. This disclosure statement must be placed immediately prior to the space in the contract reserved for the signature of the purchaser, in bold-faced and conspicuous type that is larger than the type in the remaining text of the contract.

Further, disclosures of the existence of the District and the levy of non-ad valorem assessments by the District will be provided to prospective residents of the District pursuant to Section 190.009, *Florida Statutes*, and a Notice of Public Financing will be recorded in the official records of Palm Beach County. Other disclosure information will also be recorded in the official records of Palm Beach County, including a Notice of Lien of Record, to be recorded following the issuance of the District's levy of non-ad valorem assessments. Therefore, future property purchasers will become aware of these disclosures in connection with their purchase of property in the District.

At the time of publishing this agenda item, the Petitioner's updated budget estimates are as follows:

HOA monthly dues:

Townhome: \$36.20

Single family: \$36.70

CDD monthly dues:

Townhome: \$37.50

Single family: \$54.17

N/A.

LEGAL

Ordinance 2022-22 was prepared in accordance with all applicable state statutes and City Code Requirements and has been reviewed by the City Attorney.

The petition was publicly noticed prior to second reading of the Ordinance, which includes the public hearing, per 190.005 (d) of the *Florida Statutes*, with published ads in a local newspaper of general circulation for four (4) consecutive weeks immediately prior to the hearing.

STAFF RECOMMENDATION

The City does not have any criteria or minimum requirements for the establishment of a CDD within the city limits. As noted in the Ordinance and under section 190.005(1)(e), Florida Statutes, the City Council shall consider the following factors and determine whether to grant the Petition or deny the Petition to establish the CDD:

1. Whether all statements contained within the petition have been found to be true and correct.
2. Whether the establishment of the district is inconsistent with any applicable element or portion of the state comprehensive plan or of the effective local government comprehensive plan.
3. Whether the area of land within the proposed district is of sufficient size, is sufficiently compact, and is sufficiently contiguous to be developable as one functional interrelated community.
4. Whether the district is the best alternative available for delivering community development services and facilities to the area that will be served by the district.
5. Whether the community development services and facilities of the district will be incompatible with the capacity and uses of existing local and regional community development services and facilities.
6. Whether the area that will be served by the district is amenable to separate special-district government.