

CDD & SOPOA

How these organizations are similar but very different

When my wife and I were in the process of buying a house at Seven Oaks in 2002, the sales associate told us that the Seven Oaks Property Owners' Association (SOPOA) was just like a Homeowners' Associations (HOA). Since we had previously lived in a community with an HOA, we had an idea of its function but had no idea of what it required the homeowners to do as we were focused on the contract for the house and not SOPOA's enforcement document (i.e. Declaration of Covenants, Conditions and Restrictions). The sales associate also mentioned the Community Development District (CDD), but what we grasped was that a

CDD fee would be added to our annual property tax bill. Little did we know at the time the impact these two organizations would have on our important investment -- our home. It was not until I began attending the developer-controlled meetings of these two organizations and later becoming a member of the resident-controlled Boards did I get a real understanding of their separate responsibilities. On this page and the next page are a few similarities and differences of these two organizations that may help you understand them more clearly and how they impact your quality of life and the value of your home at Seven Oaks.

MANAGEMENT COMPANIES

The CDD and SOPOA both have management companies.

CDD: The CDD Board contracted Rizzetta & Company to manage the district. They charge \$93,550 per year for administrative services, district management, financial consulting services, accounting services and monthly landscape inspections. Their fee is all inclusive. For example, they do not charge extra for mailings to homeowners.

SOPOA: SOPOA has budgeted \$81,783 for Associa Gulf Coast to manage 1,985 houses/lots in 25 neighborhoods (does not include Colonial Grand apartments, Windsor Club condos, and Silverleaf townhomes). Their basic fee is not all inclusive as they charge extra for mailings, processing assessment payments, etc. Their services includes:

- 1) Houses/lot inspections up to 32 hours monthly to insure they are in compliance with Declaration of Covenants, Conditions and Restrictions. Examples of violations would be yards that need mowing, sidewalks that need edging, weeds in yards, dirt/mildew on driveways/houses, etc.
- 2) Processes request by homeowners to modify the exterior of their home or the landscaping on their lot. Examples would include installing a pool, painting exterior of house, adding a fence, replacing trees/shrubs/sod, (any appearance change) etc.
- 3) Inspect completed architectural modifications monthly to verify compliance.
- 4) Collect annual assessments and fines.

ENFORCEMENT POWERS

The CDD does not have enforcement powers to collect assessments, but SOPOA does have them.

CDD: Since Pasco County collects the assessments, Pasco County has the enforcement power. Their process of collection can lead to foreclosure on the house.

RESPONSIBILITIES

Here's the basic difference:

CDD: Owns and manages "common areas" such as clubhouse, parks, ponds, nature trail, roads, etc.

SOPOA: Does not own but enforces deed restrictions for 25 of the 28 residential neighborhoods in Seven Oaks. Also responsible for maintenance of gates and gate codes/clickers.

STATE STATUES

The CDD and SOPOA are both governed by state statutes.

CDD: Chapter 190 of the Florida Statues governs CDDs. It contains laws on establishing the district, board of supervisors, meetings, budget, general and special powers, waste management, bonds, assessments, bids, and revenues.

SOPOA: Chapter 720 of the Florida Statues governs HOAs (e.g. SOPOA). It contains laws on HOA powers & duties, board meetings, minutes, records, budgets, board of directors, meetings, architectural control covenants, fines, and assessments.

MEETINGS

The CDD and SOPOA both have regularly scheduled monthly meetings at the clubhouse. The date and times are posted in the *Seven Oaks News* and on the marquee at the clubhouse. Periodically, the regular meeting date listed below has to be changed, so check the newsletter or marquee before going to a meeting.

CDD: Meets on the second Wednesday at 6:30 p.m.

SOPOA: Meets on the fourth Tuesday at 6:30 p.m.

BUDGET

The CDD and SOPOA have 12 month, fiscal budgets that run from October 1 to September 30 of the following year.

CDD: This year the CDD budget is \$3,224,519. In April/May, the CDD Board provides the District Manager with guidelines on preparing a budget for the next fiscal year. He presents the draft budget to the Board at the May/June meetings. During June/July, the Board provides the District Manager with any changes so a final budget can be presented at a public hearing in August prior to a final approval by the Board.

SOPOA: This year the budget is \$231,300. The process is similar to the CDD process for preparing the final budget. At the annual meeting in September, the Board approves a final budget after receiving feedback from the homeowners at Seven Oaks.



SOPOA: Has the power to foreclose on a house if assessments are not paid.

ATTORNEY

The CDD and SOPOA both have attorneys.

CDD: The CDD uses the Straley and Robin Law Firm. Either Mark Straley or Tracy Robin attends most meetings. The budget this year for their services is \$20,000.

SOPOA: The law firm for SOPOA is Bush Ross. Since legal advice is not required for most issues at SOPOA meetings, an attorney does not attend. When a legal issue does arise, either the property manager from Associa Gulf Coast or the SOPOA President contacts the law firm. SOPOA's legal budget this year is \$24,000 .

ENGINEER

The CDD uses an engineering firm but SOPOA does not. In the August 2014 Seven Oaks News, there is an article on pages 4 and 5 about the CDD engineering firm (i.e. Stantec Consulting Services). The budget this year for engineering is \$12,000.

EMPLOYEES

The CDD has both full time and part time employees in contrast to SOPOA which does not have employees. The CDD has five full time employees to maintain the common areas at Seven Oaks (see article in the September 2014 Seven Oaks News). It also has 2 full time and 7 to 20 part time employees to operate the clubhouse (see article in the November 2014 Seven Oaks News).

CONTRACTORS

The CDD uses numerous contractors in contrast to SOPOA only using one.

CDD: Here are some examples of the contractors that the CDD uses:

Landscaping: Austin Outdoor (\$903,175)

Ponds: Lake Masters (\$53,400)

Pools: GPS Pools (\$31,800)

SOPOA: Uses Metro Gates to maintain the gates. There is \$75,688 budgeted this year to operate and maintain the gates.

COMMITTEES

The CDD and SOPOA uses committees.

CDD: Does not have any standing committees but does use ad hoc committees for tasks such as selecting a club manager, reviewing clubhouse rules, etc.

SOPOA: Has a standing committee (i.e. Design Review Committee) to review architectural modification requests but does not use ad hoc committees.

ASSESSMENTS

The CDD & SOPOA both have assessments.

CDD: The CDD has the following two assessments that are combined and added to the Pasco County Property Tax bill sent to the homeowner in October each year.

1) Operating and Maintaining (O&M):

This assessment is to operate and maintain the common areas. This fee will change each year based on the expenses. The rates are different for apartments/condos, townhomes, and single family homes. The single family assessments are based on lot size. Here's some examples of the O&M assessments for this year.

Apartments/condos: \$80.52

Townhomes: \$603.92

40 ft lot (Amberside): \$805.22

80 ft lot (The Laurels): \$1,610.45

2) Debt Services Assessment:

Each homeowner has a Debt Services Assessment to pay off one of three 30 year bonds used to build the infrastructure (e.g. roads, clubhouse, water management system) at Seven Oaks. Where the O&M assessments change, the amount of this assessment does not change unless a bond is refinanced such as the one for the properties south of the power lines. The Debt Service assessments also vary for apartments, townhomes, and single family. Here's some examples of these assessments:

Bond 2011A

Townhomes (Silverleaf): \$318.14

40 ft lot (Amberside): \$424.18

80 ft. lot (The Laurels): \$848.37

Bond 2003A

Townhomes (Lakeside): \$406.95

40 ft lot (Edenfield): \$542.59

80 ft. lot (Fairgate): \$1,085.19

SOPOA: The SOPOA basic annual assessment is the same for all Seven Oaks homeowners in the 25 neighborhoods. This year, it is \$69.00. The homeowners in gated neighborhoods have an additional amount added to their assessment to maintain the gates. This year, it is \$48.00 which make a total assessment of \$117.00. As mentioned earlier, SOPOA is not responsible for Silverleaf, Colonial Grand, and Windsor Club. Each year in September, the SOPOA property manager sends all the homeowners a bill for their assess-

ment which must be paid by October 15 or SOPOA will start the preliminary foreclosure process.

BOARD OF DIRECTORS

The CDD and SOPOA both have a Board (see pictures below).

CDD: State Statute 190.006, paragraph (1) states, "The Board shall consist of five members." In June, prior to the general election in November on even number years, people can become candidates for the four year term seats that expire on the CDD Board. To provide continuity, the term of two seats expire in November of one election year and two years later the terms of the remaining three seats expire.

For the election this year, the terms of Seat 1 and Seat 3 expired. Since two people registered for Seat 1 in June, the registered voters who live at Seven Oaks voted for one them at the November election. Because only the incumbent registered for Seat 3, this seat was not on the election ballot. In November 2016, the terms of Seat 2, Seat 4, and Seat 5 will expire.

SOPOA: The Bylaws of SOPOA in Section 3.2 state, "The affairs of the Association shall be governed by a Board of Directors consisting of seven (7) members." The Directors are elected for two year terms. To provide continuity, the terms of four Directors expire in September of one year and the terms of the remaining three Directors in September the following year. The Bylaws have very detailed procedures for the election process.



CDD Board L-R: Andy Dubo (Seat 1), Bill Parsons (Seat 2), Mike Davis (Seat 3), Lisa Rasmussen (Seat 4), Jack Christensen (Seat 5)



SOPOA Board. Back Row: Richard Buffinton, Jack Christensen, Mike Schulze **Front Row:** Paul Muccino, Allison Piet, Gary Lemberg. **Not in Picture:** Richard Fink