

Results. Relationships. Reputation.

What is a Community Facilities District?

Scott W. Ruby, Esq.
Gust Rosenfeld, PLC
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
602-257-7432
www.gustlaw.com

Community Facilities District

- A political subdivision of the State within the corporate limits of a City
- Formed by the City Council
- On petition of property owners
- If approved at an election of:
 - Property owners, and
 - Qualified electors (if any)
- With authority to construct, acquire, operate and maintain public infrastructure (broadly defined)
- Finance construction and acquisition of public infrastructure with:
 - General obligation bonds (following election)
 - Revenue bonds, or
 - Special assessment bonds

Community Facilities District

- Finance operation and maintenance of public infrastructure with:
 - General obligation tax levy (following election)
 - Special assessments, or
 - Operating revenues
- Governed by:
 - The City council sitting as the Board of Directors, or
 - An appointed board (if over 600 acres)
- Operations:
 - Distinct entity from the City
 - Independent meetings, budget, tax levy and bond issues

CFD Bond Issue Process

- Assessment Bonds:
 - Approve project and feasibility report (hearing)
 - Resolution forming the assessment district
 - Resolution ordering the work
 - Resolution approving assessment
 - Perform work (public bidding)
 - Resolution approving sale of bonds
 - Final assessment hearing
 - Close bond issue

CFD Bond Issue Process

- General Obligation Bonds:
 - Election by property owners and qualified electors (if any)
 - Approve project and feasibility report (hearing)
 - Resolution authorizing the issuance and sale of bonds
 - Close bond issue
 - Debt limit 65% of market value of the property in the CFD