

HB 351

2014

A bill to be entitled
 An act relating to neighborhood improvement districts;
 amending s. 163.506, F.S.; providing that an ordinance
 that creates a neighborhood improvement district may
 authorize the district to exercise certain powers, in
 addition to those already granted to such districts;
 specifying such powers; conditioning the exercise of
 those powers on resolution and referendum; providing
 an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (i) is added to subsection (1) of
 section 163.506, Florida Statutes, to read:

163.506 Local government neighborhood improvement
 districts; creation; advisory council; dissolution.—

(1) After a local planning ordinance has been adopted
 authorizing the creation of local government neighborhood
 improvement districts, the local governing body of a
 municipality or county may create local government neighborhood
 improvement districts by the enactment of a separate ordinance
 for each district, which ordinance:

(i) Authorizes the district to borrow money, contract
 loans, and issue bonds, certificates, warrants, notes, or other
 evidence of indebtedness to finance the undertaking of a capital
 or other project for a purpose permitted by the State

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27 Constitution and this part, and to pledge the funds, credit,
28 property, and special assessment power of the district for the
29 payment of such debts and bonds. Bonds that are issued under
30 this paragraph must be authorized by resolution of the board, by
31 resolution of the governing body of the municipality or county,
32 and by a referendum as described in s. 163.514(16), except that
33 for commercial districts, such referendum is deemed approved if
34 so approved by an affirmative vote of freeholders owning more
35 than 50 percent of the assessed value of the properties
36 represented by ballots cast. Such bonds may be issued in one or
37 more series and shall bear such date or dates, be payable upon
38 demand or mature at such time or times, bear interest at such
39 rate or rates, be in such denomination or denominations, be in
40 such form, registered or not, with or without coupon, carry such
41 conversion or registration privileges, have such rank or
42 priority, be executed in such manner, be payable in such medium
43 of payment, at such place or places, and subject to such terms
44 of redemption, with or without premium, be secured in such
45 manner, and have such other characteristics as may be provided
46 by such resolution or trust indenture or mortgage issued
47 pursuant thereto.

48 Section 2. This act shall take effect July 1, 2014.

(HB351)

Sample Resolution for Safe Neighborhood Districts

Whereas, Florida Statute Section 163, Chapter IV creates Neighborhood Improvement Districts also known as Safe Neighborhood Districts (SNDs);

Whereas, these districts were created to address the many causes of deterioration in the business and residential neighborhoods of the state: proliferation of crime, automobile traffic flow strangled by outmoded street patterns, unsuitable topography, faulty lot layouts, and lack of separation of pedestrian areas from automobile traffic;

Whereas, local government SNDs are desirable to guide and accomplish a coordinated, balanced, and harmonious development of safe neighborhoods; to promote the health, safety, and general welfare of these areas and their inhabitants, visitors, property owners, and workers; to establish, maintain, and preserve property values and preserve and foster the development of attractive neighborhood and business environments; to prevent overcrowding and congestion; to improve or redirect automobile traffic and provide pedestrian safety; to reduce crime rates and the opportunities for the commission of crime; and to provide improvements in neighborhoods so they are defensible against crime;

Whereas, Florida Statute 163 currently authorizes residents to assess themselves by referendum to make critical safety improvements to their communities,

Whereas, the SNDs serve as dependent districts of the City that allow neighborhoods to remain stable by providing a mechanism for the City to collect voter approved assessments with a collection rate of approximately 95 to 97%. Thereafter, the SNDs use these funds to make changes at a very slow pace for capital improvements;

Whereas, residents have requested that the districts be allowed to bond for capital improvements and to use their assessments to fund the projects identified in their comprehensive plan. These projects that would ordinarily take 20 years to fund can then be accomplished within 3 to 5 years if bonding is permitted. This effort will increase the value of the homes, make these communities safer and stabilize the neighborhoods at a much faster pace. It will also promote the health, safety, and general welfare of these neighborhoods and their inhabitants, visitors, property owners, and workers; establish, maintain, and preserve property values and preserve and foster the development of attractive neighborhood and business environments;

Whereas, the 2013 Legislative Session proposed Senate Bill 770 and House Bill 741 in an effort to grant the SNDs the authority to bond and now a similar bill is being presented in the 2014 Legislative Session.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the City of _____ supports the passage of this bill to grant the authority of Safe Neighborhood Districts to bond for capital improvement projects.

SAFE NEIGHBORHOOD IMPROVEMENT DISTRICT'S ABILITY TO BORROW FUNDS

Background

The City of Lauderhill, Florida (the "City") has established four safe neighborhood improvement districts as dependent special districts of the City by ordinance pursuant to Chapter 163, part IV, Florida Statutes. The City desires to finance various improvements within four safe neighborhood improvement districts ("Districts"). The City would like to recoup any expenditure for debt service on bonds issued by it to finance the safe neighborhood improvements from non-ad valorem special assessments and ad valorem taxes levied in each District. Each of the Districts, through the advisory council and board of directors, elected to impose upon themselves an ad valorem tax up to 2 mills and an assessment not to exceed \$500 to support planning and implementation of district improvements.

Public Purpose Implications

Per Florida Statute, each of the Districts developed plans consistent with the comprehensive plans of the City. The plans include such items as community policing, security lighting and fencing, surveillance systems, community programming and neighborhood improvements/renovations. The ability to borrow funds is of great significance to the residents that reside in the districts. The benefits are not limited to those residing in those neighborhoods but will benefit the entire community at large. In fact, not only would it enhance public safety, but it would also increase the value of the properties. Even more, it would create economic opportunities by bringing additional jobs to the community and enhancing business development.

Borrowing/Financing Issues

Chapter 163, Part IV, Florida Statutes (the "SNID Act") provides for the establishment of safe neighborhood improvement districts. The powers of such districts to undertake capital projects is fairly limited and enumerated in Section 163.516, Florida Statutes.

The approved budgets for the Districts range from \$ 630,000 to \$ 1,520,000. However, the average amount collected on an annual basis ranges from \$ 75,000 to \$250,000. Accordingly, the Districts are severely limited in which items it can complete given the limited amount of funds collected annually. If the Districts had the power to borrow funds or incur indebtedness, they would be able to adhere to their plans faster and at a better rate. Most remarkably is the fact that their families would be able to obtain the protection they need now, as opposed to sometime in the distant future.

Although the SNID Act discusses various goals to be accomplished by safe neighborhood improvement plans, such as revitalizing neighborhoods, increasing property values and social interaction and enhancing public safety, it does not expressly give districts the power to borrow funds. Accordingly, the City of Lauderhill is proposing a statutory amendment granting the districts said power.

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