

CITY OF PALM DESERT REDEVELOPMENT AGENCY

Overview - The California State Legislature passed the California Community Redevelopment law in 1945. The Legislation authorized cities and counties to establish a redevelopment agency, with the legal authority and property tax financing to carry out the redevelopment of blighted areas which could not be turned around solely through private enterprise. In 1975, the Council of the City of Palm Desert established the Redevelopment Agency of the City of Palm Desert. Although the Council serves as the Redevelopment Agency Board, the Agency is a separate, legally constituted body.

The Redevelopment Law provides financing redevelopment projects collected within a redevelopment project area. The Agency's primary source of revenue comes from property taxes referred to as tax increment revenues. The assessed valuation of all property within each project area is determined on the date of adoption of the Project Area. Property taxes related to the incremental increase in assessed values after the adoption of the Project Area are allocated to the Agency and may be pledged by the Agency to the repayment of any indebtedness incurred in financing or refinancing a redevelopment project. Redevelopment agencies have no authority to levy property taxes.

The use of tax increment funds of the Agency is established according to the RDA charter and the Redevelopment Law. The Agency is required to provide 20% of its tax increment funds to low and moderate housing improvement or development. State requirements occur occasionally which may reduce the amount of the Agency's discretionary increment such as Senate Bill 1135 of the State Legislature which reallocated 5.675% of the tax increment to school districts for fiscal years 1993/94 and 1994/95.

The Agency also issues bonds and debt is incurred to pay for projects. Portions of the tax increment funds are allocated to repay the debt and interest. These bonds are approved by a vote of the Agency Board.

The project areas are established as a means of removing or reducing blighted areas of the community within the project area boundaries and to create a more workable atmosphere for economic development. The Palm Desert Redevelopment Agency has four project areas: Project Area No. 1 and Amended Territory - established on July 16, 1975; Project Area No. 2 - established on July 15, 1987; Project Area No. 3 - established on July, 1991; and Project Area No. 4 - established on July 19, 1993.

The following sections include:

- * Tax Increment and Other Revenue Summaries for Each Project Area
- * Operating Budget Summaries for Each Project Area
- * Debt Service Summaries for Each Project Area
- * Agency Bond Funded Project Summaries
- * Low/Moderate Housing Fund and Housing Authority Apartments

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CITY OF PALM DESERT
REDEVELOPMENT AGENCY BUDGET SUMMARY

Fund Description	6/30/2010 Beginning Balance	Estimated Revenues	2010-11 InterFund Transfers		Expenditures	6/30/2011 Ending Balance
			In	(Out)		
Redevelopment Agency Funds						
Capital Project Area #1	20,000,000				3,778,640	16,221,360
Capital Project Area #2	46,000,000				10,804,100	35,195,900
Capital Project Area #3	21,000,000				146,500	20,853,500
Capital Project Area #4	25,000,000				350,500	24,649,500
Debt Service Project Area #1	46,000,000	48,169,714	131,884	24,750,562	19,606,654	49,944,382
Debt Service Project Area #2	7,000,000	17,170,756	47,093	9,459,387	7,250,850	7,507,611
Debt Service Project Area #3	3,500,000	4,424,678	12,339	1,910,859	1,738,708	4,287,450
Debt Service Project Area #4	6,000,000	12,353,193	33,685	5,084,870	6,666,142	6,635,866
Housing Set-Aside	63,000,000		16,423,668	9,305,985	5,269,250	64,848,433
Housing Authority	4,000,000	4,823,612			5,757,412	3,066,200
Palm Desert Financing Authority	-		33,862,994		33,862,994	-
GRAND TOTAL ALL FUNDS	241,500,000	86,941,953	50,511,663	50,511,663	95,231,751	233,210,202

REDEVELOPMENT AGENCY CAPITAL PROJECT FUNDS

	CIP Projects	Administration	Total
			Expenditures
Project Area #1	50,000	3,778,640	3,828,640
Project Area #2	10,231,600	572,500	10,804,100
Project Area #3	-	146,500	146,500
Project Area #4	-	350,500	350,500
Housing Fund	3,420,000	1,849,250	5,269,250
Housing Authority	700,000	5,057,412	5,757,412
TOTAL	14,401,600	11,754,802	26,156,402

Note: Projected Fund Balances include cash from issuance of new capital improvement bonds for Project Area 1, 2, 3, and 4. Housing Set-Aside and Housing Authority only reflect the current year of capital projects.

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