

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

**THIS PAGE
INTENTIONALLY
LEFT BLANK**

CITY OF PALM DESERT
REDEVELOPMENT AGENCY BUDGET SUMMARY

Fund Description	6/30/2011 Beginning Balance	Estimated Revenues	2011-12 InterFund Transfers		Expenditures	6/30/2012 Ending Balance
			In	(Out)		
Redevelopment Agency Funds						
Capital Project Area #1	15,700,500				2,974,389	12,726,111
Capital Project Area #2	33,957,200				572,500	33,384,700
Capital Project Area #3	21,244,400				146,500	21,097,900
Capital Project Area #4	25,531,500				350,500	25,181,000
Debt Service Project Area #1	33,160,245	48,206,350		24,750,282	19,360,713	37,255,600
Debt Service Project Area #2	4,289,755	15,038,543		8,768,741	6,348,643	4,210,915
Debt Service Project Area #3	3,357,779	4,227,287		1,902,757	1,626,083	4,056,225
Debt Service Project Area #4	4,106,258	11,794,224		5,079,336	6,364,224	4,456,923
Housing Set-Aside	75,190,832		15,853,281	11,423,614	4,828,915	74,791,584
Housing Authority	11,710,008	4,823,612	2,341,600		4,807,962	14,067,258
Palm Desert Financing Authority	-		33,729,849		33,729,849	-
GRAND TOTAL ALL FUNDS	228,248,477	84,090,016	51,924,730	51,924,730	81,110,277	231,228,216

REDEVELOPMENT AGENCY CAPITAL PROJECT FUNDS

	Total	
	CIP Projects	Administration Expenditures
Project Area #1		2,974,389
Project Area #2	-	572,500
Project Area #3		146,500
Project Area #4		350,500
Housing Fund	2,806,244	2,022,671
Housing Authority	-	4,807,962
TOTAL	2,806,244	10,874,522

**THIS PAGE
INTENTIONALLY
LEFT BLANK**