

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	06/30/09	2009-2010			06/30/10	
	Beginning Balance	Estimated Revenues	InterFund Transfers		Ending Balance	
			In	(Out)	Expenditures	
Redevelopment Agency Funds						
Capital Project Area #1	46,000,000	-	-	-	9,086,805	36,913,195
Capital Project Area #2	53,000,000	-	-	-	6,597,688	46,402,312
Capital Project Area #3	19,000,000	-	-	-	180,000	18,820,000
Capital Project Area #4	26,000,000	-	-	-	286,000	25,714,000
Debt Service #1	37,000,000	49,641,800	-	(23,042,990)	22,077,440	41,521,370
Debt Service #2	9,100,000	17,963,630	-	(9,353,962)	8,573,969	9,135,699
Debt Service #3	3,800,000	3,973,983	-	(1,679,970)	2,002,010	4,092,003
Debt Service #4	4,900,000	13,665,890	-	(5,030,026)	7,339,638	6,196,226
Housing Set-Aside	45,000,000	-	17,049,061	(9,078,963)	5,132,770	47,837,328
Housing Authority	13,000,000	5,063,602	-	-	5,981,966	12,081,636
Palm Desert Financing Auth.-RD,	-	-	31,136,850	-	31,136,850	-
	-	-	-	-	-	-
GRAND TOTAL ALL FUNDS	256,800,000	90,308,905	48,185,911	(48,185,911)	98,395,136	248,713,769

REDEVELOPMENT AGENCY CAPITAL PROJECTS	Total Expenditures		
	CIP Projects	Administration	(Excludes Transfers Out)
PROJECT #1	5,820,000	3,266,805	9,086,805
PROJECT #2	6,202,688	395,000	6,597,688
PROJECT #3	-	180,000	180,000
PROJECT #4	-	286,000	286,000
HOUSING FUND	3,662,000	1,470,770	5,132,770
HOUSING AUTHORITY	317,500	5,664,466	5,981,966
Total	16,002,188	11,263,041	27,265,229

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

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