



City of Desert Hot Springs

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(760) 329-6411

www.cityofdhs.org

April 18, 2011

**SUBJECT: 2011 Redevelopment Agency (RDA) Plan Amendment
Frequently/Commonly Asked Questions with Answers**

- 1. What about Eminent Domain? Are you going to take my property?** The Agency has adopted a Property Acquisition Program that *prohibits the Agency's use of eminent domain to acquire property on which any persons reside* within the Amended Project Area (Adopted by Agency Resolution No. RDA-2010-005, October 19, 2010). **Bottom line:** *The Agency cannot and will not take your home.* The RDA of Desert Hot Springs has never utilized eminent domain, and although remote, it is possible that someday the RDA may need to utilize it in order to complete an essential commercial project. But it is a last resort that is costly with lengthy legal proceedings.
- 2. What are the possible benefits, and/or possible detriments, to being added to the boundaries of the Redevelopment Agency?** The City of Desert Hot Springs have over 1000 homes that have fallen into foreclosure and the maintenance is slipping and adversely depressing home values nearby. Approximately 24% of the existing 10,000 housing units are vacant and not being maintained. Home prices have dropped over 50% in the last two years. RDA is a tool to help us combat those declines with neighborhood improvements. If the public supports it and the numbers work, the City will move forward. If not, the idea dies and other outside taxing agencies outside the City limits will receive your taxes rather than the City keeping them and using them to improve the existing built up portion of your City to remove blight conditions and support economic development.
- 3. Is there any financial benefit or penalty that would inure to property owners?** There is no penalty to any owners. RDA is a 50 year old municipal finance tool that is in the state constitution whereby the City is able to capture property taxes that you already pay (NOTE: NO NEW TAXES!) and redirect them to be spent in the City in areas that need new streets, parks, sidewalks, and assist those homeowners that wish to rehabilitate their homes with a new roof, landscaping, paint, stucco, weatherization, etc. to improve the values of their homes and thus those around them. It is estimated that this funding mechanism will generate over and additional \$132M (over the next 30 years) for the benefit of the City residents in pursuit of improving the quality of life here.
- 4. Why a Redevelopment Plan Amendment in Desert Hot Springs?** To eliminate physical and economic blight; improve the general welfare of community residents and business people; make redevelopment/development activities in the community economically feasible; and implement the City's General Plan.
- 5. What will this cost me as a property owner?** There is no additional cost as the Agency does not change property tax rates or impose new fees! The action only reallocates a percentage of future property taxes.

If you have any questions regarding this project or this request please call me at (760) 329-6411 ext 234.

Sincerely,

JASON SIMPSON
Assistant City Manager