

**SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY**

\$38,045,000

**SUBORDINATE TAX ALLOCATION REFUNDING BONDS,
SERIES 2017**

**Riverside County, California
Dated: September 13, 2017
Base CUSIP⁺: 61685T**



**2019/20 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT**

As of March 9, 2021



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LIST OF PARTICIPANTS

<p>SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY <i>www.moval.org</i></p>	
<p style="text-align: center;">Brian Mohan Acting Assistant City Manager/ Chief Financial Officer/City Treasurer 14177 Frederick Street Moreno Valley, California 92553</p>	<p style="text-align: center;">Mr. Brooke McKinney Treasury Operations Division Manager 14177 Frederick Street Moreno Valley, California 92553</p>
<p>DISCLOSURE CONSULTANT & DISSEMINATION AGENT</p>	
<p>Willdan Financial Services * Temecula, California 92590 (951) 587-3500 <i>www.wildan.com</i></p>	
<p>UNDERWRITER</p>	
<p>Stifel, Nicolaus & Company, Incorporated</p>	
<p>BOND COUNSEL</p>	<p>DISCLOSURE COUNSEL</p>
<p style="text-align: center;">Orrick, Herrington & Sutcliffe LLP Los Angeles, California</p>	<p style="text-align: center;">Stradling Yocca Carlson & Rauth a Professional Corporation Newport Beach, California</p>
<p>TRUSTEE</p>	
<p>Dania D. Samai Wells Fargo Bank, N.A. 333 South Grand Avenue, Fifth Floor, Suite 5A Los Angeles, California 90071 Phone (213) 253-7516</p>	

* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

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I. INTRODUCTION

The Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley (the “Successor Agency”) issued \$38,045,000 Subordinate Tax Allocation Refunding Bonds, Series 2017 (the “2017 Bonds”) to refund the 2007 Tax Allocation Bonds, Series A (the “Refunded Bonds”).

The City of Moreno Valley (the “City”) is located about 66 miles east of Los Angeles and 100 miles north of San Diego, California. The City encompasses approximately 51.5 square miles, located in the western portion of Riverside County (the “County”), surrounded by the City of Riverside, the City of Perris, March Air Reserve Base, Lake Perris, and the Badlands.

The Moreno Valley Redevelopment Project (the “Project Area”) encompasses approximately 4,676 acres and consists of commercial, industrial, housing and public land uses including the City’s Civic Center. For further information and a more complete description of the Project Area, reference is made to the Official Statement dated August 23, 2017 (the “Official Statement”).

The Successor Agency issued the 2017 Bonds on a subordinate basis to the City of Moreno Valley Towngate Community Facilities District No. 87-1, 2007 Special Tax Refunding Bonds and the City of Moreno Valley Community Facilities District No. 87-1 (Towngate) Improvement Area No. 1, Special Tax Refunding Bonds (collectively, the “Senior Bonds”).

The 2017 Bonds are special obligations of the Successor Agency, payable from and secured by Pledged Tax Increment Revenues, as defined within the Official Statement, generated within the Project Area. Additionally, debt service on certain Senior Bonds will be payable from Tax Revenues senior to the 2017 Bonds. Other than the Senior Bonds, no additional bonds are payable from Tax Revenues on a basis senior to or on a parity with the 2017 Bonds and any Parity Debt will be issued pursuant to the Indenture of Trust, dated as of September 1, 2017. The 2017 Bonds are not a debt of the City, the State of California, or any of its political subdivisions (except the Successor Agency) and neither the City, the State of California, nor any of its political subdivisions (except the Successor Agency) is liable. The 2017 Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

This Annual Continuing Disclosure Information Statement (the “Report”) is being provided pursuant to a covenant made by the Successor Agency for the benefit of the holders of the 2017 Bonds and includes the information specified in a Continuing Disclosure Certificate. For further information and a more complete description of the City, the Successor Agency and the 2017 Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the Successor Agency and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further,

the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or any other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. IN PROVIDING THIS REPORT, WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY "WILLDAN") DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT UNLESS SPECIFICALLY AGREED TO IN A SEPARATE WRITING WITH THE RECIPIENT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS REPORT, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. REFERENCE TO PREVIOUSLY FILED INFORMATION

For historical information, reference is made to the Reports previously filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

<u>Issue</u>	<u>As of December 31, 2019</u>
2017 Bonds	\$38,045,000

B. FUND BALANCES

<u>Fund</u>	<u>As of December 31, 2019</u>
Reserve Fund	(1)
Reserve Requirement	\$3,603,656

(1) The Reserve Fund is funded by a municipal bond insurance policy from Assured Guaranty Municipal Corp.

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

There will not be separate audited financial statements prepared for the Successor Agency. The activities of the Successor Agency will be reported as a fiduciary trust fund as part of the City's audited financial statements.

The City's audited financial statements for the fiscal year ended June 30, 2020 have been separately filed on EMMA and are hereby incorporated by reference into this Report.

V. OPERATING INFORMATION

A. HISTORICAL ASSESSED VALUATION

**PROJECT AREA
ASSESSED VALUATIONS AND INCREMENTAL VALUES
(Fiscal Years 2009/10 to 2019/20)**

<i>Fiscal Year Ending June 30</i>	<i>Assessed Value</i>	<i>Percent Change</i>	<i>Less: Base Year Value</i>	<i>Value Over Base Year</i>
2011	\$2,451,148,803	(4.71%)	\$568,836,168	\$1,882,312,635
2012	2,397,152,798	(2.20%)	568,836,168	1,828,316,630
2013	2,391,348,604	(0.24%)	568,836,168	1,822,512,436
2014	2,467,941,062	3.20%	568,836,168	1,899,104,894
2015	2,677,798,241	8.50%	568,836,168	2,108,962,073
2016	2,860,980,938	6.84%	568,836,168	2,292,144,770
2017	3,047,865,820	6.53%	568,836,168	2,479,029,652
2018	3,221,998,870	5.71%	568,836,168	2,653,162,702
2019	3,432,511,933	6.53%	568,836,168	2,863,675,765
2020	3,654,649,315	6.47%	568,836,168	3,085,813,147
2021	4,038,361,901	10.50%	568,836,168	3,469,525,733

Source: County of Riverside.

B. TOP TEN TAXABLE TAXPAYERS

The following table summarizes the Top Ten Property Taxpayers within the Project Area for fiscal year 2020/21.

Property Owner	Property Uses	Fiscal Year 2020/21 Total Assessed Valuation	% of Total Value	% of Incremental Value
1. TGA Centerpointe LLC	Industrial	\$259,182,000	6.42%	7.47%
2. Towngate on Memorial Apartments	Residential	104,604,078	2.59%	3.01%
3. Breit MF Day Street LLC	Residential	96,213,889	2.38%	2.77%
4. Moreno Valley Mall Holding LLC ⁽¹⁾	Commercial	85,549,703	2.12%	2.47%
5. Stella Mulberry Housing Partners	Residential	60,647,230	1.50%	1.75%
6. Riverview Partners	Residential	53,660,942	1.33%	1.55%
7. Tumon Bay Resort and Spa LLC	Commercial	51,996,218	1.29%	1.50%
8. Prologis USLV	Industrial	49,435,060	1.22%	1.42%
9. Rancho Belago Apartments	Residential	45,639,554	1.13%	1.32%
10. Overlook at Rancho Belago Dev	Residential	43,892,623	1.09%	1.27%
Total Ten Largest Assesseees		\$850,821,297		
Total Project Area Assessed Valuation		\$4,038,361,901		
Total Project Area Incremental Value		\$3,469,525,733		
Percentage of Ten Major Assesseees to Total Value		21.07%		
Percentage of Ten Major Assesseees to Incremental Value		24.52%		

⁽¹⁾ Pending appeals; maximum potential aggregate reduction is approximately \$20 million in assessed value.

Source: County of Riverside.

C. OUTSTANDING BONDED INDEBTEDNESS

There has been no issuance of debt by the Successor Agency that is payable from or secured by a pledge of Tax Revenues in the Project Area during fiscal year 2019/20.

D. ASSESSMENT APPEALS

The following table summarizes Project Area appeal data for the five most recent roll years.

ASSESSED VALUATION APPEALS (Roll Years 2016 through 2020)

Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. of Appeals Pending	Value Under Appeal	Estimated No. of Pending Appeals Allowed	Estimated Reduction on Pending Appeals Allowed
365	247	6	35.95%	117	320,145,711	3	\$2,795,933

Source: County of Riverside.

PENDING ASSESSED VALUATION APPEALS AMONG PROJECT AREA TOP TEN PROPERTY TAXPAYERS

Taxpayer	Fiscal Year Appealed	No. of Parcels	Enrolled Value Under Appeal	Owner Opinion of Value	Max. Potential Value Loss
MORENO VALLEY MALL HOLDING LLC	2019/20	3	\$83,842,847	\$63,750,000	\$20,092,847
Totals			\$83,842,847	\$63,750,000	\$20,092,847

Source: County of Riverside.

E. DEBT SERVICE COVERAGE

Year Ending June 30	Tax Revenues Before Senior Bonds ⁽¹⁾	Senior Bonds Debt Service	Series 2017 Bonds Debt Service	Combined Senior Bonds and Series 2017 Bonds Debt Service	Debt Service Coverage On Senior Bonds and Series 2017 Bonds
2017	\$23,397,908	\$1,258,116	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
2018	25,488,021	1,282,371	\$1,331,078	\$2,613,450	9.75
2019	27,122,428	1,281,873	1,506,881	2,788,754	9.73
2020	29,370,594	1,282,921	1,506,881	2,789,802	10.53

⁽¹⁾ Tax Revenues prior to debt service payments on the Senior Bonds.

⁽²⁾ Debt service on the Series 2017 Bonds began in the 2018 Bond Year.

Note: Debt service is presented in Bond Year format.

VI. OCCURRENCE OF LISTED EVENTS

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **irrespective of any determination as to whether such event may or may not be deemed material**. The Successor Agency has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended June 30, 2020.

1. Principal and interest payment delinquencies on the 2017 Bonds.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2017 Bonds.
6. Defeasances.
7. Tender offers.
8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the Successor Agency.
9. Ratings changes.

The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, **if deemed material**. The Successor Agency has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended June 30, 2020.

10. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the Successor Agency or the dissolution of the Successor Agency.
11. Appointment of a successor or additional Trustee or the change of the name of the Trustee or any successor or additional Trustee.
12. Non-payment related defaults.
13. Modifications to the rights of Holders.
14. Optional, contingent or unscheduled bond calls, prepayment or redemptions other than defeasances.
15. Release, substitution or sale of property securing repayment of the 2017 Bonds.