

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

**\$43,495,000
2007 TAX ALLOCATION BONDS,
SERIES A**

**Dated: November 29, 2007
Riverside County, California
Base CUSIP⁺: 616908**



**2016 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT**

As of February 28, 2017

Also available at:



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* 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

Pursuant to an Official Statement dated November 7, 2007, the Community Redevelopment Agency of the City of Moreno Valley (the "Former Agency") issued \$43,495,000 2007 Tax Allocation Bonds, Series A (the "Bonds") to fund certain redevelopment activities of benefit to the Moreno Valley Redevelopment Project Area (the "Project Area").

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 is 50 square miles, located in the western portion of Riverside County (the "County"), surrounded by Riverside, Perris, March Air Reserve Base, Lake Perris, and the Badlands. Upon the dissolution of California redevelopment agencies effective February 1, 2012, the City elected to become Successor to the Former Agency (the "Successor Agency").

Due to the dissolution of the redevelopment agencies as previously discussed, the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. As such, the Bonds are special obligations of the Successor Agency, payable from and secured by Pledged Tax Increment Revenues generated within the Project Area. The Bonds are not a debt of the City, the State of California, or any of its political subdivisions and neither the City, the State of California, nor any of its political subdivisions is liable. The Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limit or restriction.

This Annual Continuing Disclosure Information Statement is being provided pursuant to a covenant made by the Former Agency for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Certificate. For further information and a more complete description of the City, the Former Agency and the 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 Annual Continuing Disclosure Information Statement 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 Annual Continuing Disclosure Information Statement 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 Annual Continuing Disclosure Information Statement 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. 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. Prior to acting on any information or material contained in this communication, 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 Annual Continuing Disclosure Information Statements previously filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bond	As of December 31, 2016
2007 Series A Bonds	\$41,105,000

B. FUND BALANCES

Fund	As of December 31, 2016
Reserve Fund ⁽¹⁾	N/A
Reserve Requirement	\$3,654,750

(1) The Reserve Fund is funded by a Reserve Account Surety Bond issued by Ambac Assurance Corporation.

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

Due to the dissolution of California redevelopment agencies effective February 1, 2012, there will not be separate audited financial statements prepared for the Successor Agency. Commencing with the audited financial statements of the City for the fiscal year ended June 30, 2012, 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, 2016 have been separately filed with EMMA and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

V. OPERATING INFORMATION

A. HISTORICAL ASSESSED VALUATION

Fiscal Year	Secured Assessed Valuation	Unsecured Assessed Valuation	Total Assessed Valuation	Percentage Change in Assessed Valuation	Incremental Assessed Valuation ⁽¹⁾
2012/13	\$2,274,126,606	\$170,477,930	\$2,444,604,536	1.72%	\$1,920,602,716
2013/14	2,304,906,078	208,399,064	2,513,305,142	2.81%	1,989,303,322
2014/15	2,501,768,650	172,496,136	2,674,264,786	6.40%	2,105,428,618
2015/16	2,692,502,441	172,616,641	2,865,119,082	7.14%	2,296,282,914
2016/17	2,841,715,589	205,896,222	3,047,611,811	6.37%	2,478,775,643

(1) Total Assessed Valuation Less Base Year Value of \$524,001,820 for fiscal years 2012/13 through 2013/14, and \$568,836,168 for fiscal years 2014/15 through 2016/17.

Source: California Municipal Statistics, Inc.

B. HISTORICAL TAX INCREMENT REVENUE

Fiscal Year	Gross Tax Increment Received ⁽¹⁾	Senior Pass Through Amounts ⁽²⁾	Amounts Payable Under Prior Obligations ⁽³⁾	County Admin. Fee	Tax Revenues	Percentage Change in Tax Revenues
2011/12	\$18,765,844	\$9,200,101	\$1,060,686	\$233,646	\$8,271,411	94.41%
2012/13	19,128,442	9,551,664	1,064,245	272,871	8,239,661	(0.38%)
2013/14	19,898,282	10,081,613	1,032,656	261,582	8,522,431	3.43%
2014/15	21,485,075	10,938,770	1,030,203	300,736	9,215,366	8.13%
2015/16	23,905,666	12,227,539	1,030,547	261,833	10,385,747	12.70%

(1) Includes all tax increment revenues received, including supplemental and miscellaneous revenues.

(2) Includes pass through payments to the County and to Flood under Tax Sharing Agreements.

(3) Includes: (a) amounts paid from Tax Increment Revenue for the City's Community Facilities District No. 3 (Auto Mall Refinancing) Special Tax Bonds, Series 2000; and (b) approximate amounts paid as debt service on the City's 1994 Towngate Special Tax Refunding Bonds, Series A and the 1994 Towngate Community Facilities District No. 87-1 Special Tax Refunding Bonds, Series B.

Note: Due to the dissolution of the Former Agency, Housing Set-Aside revenues are no longer deducted.

C. HISTORICAL DEBT SERVICE COVERAGE

Fiscal Year	Gross Tax Increment	Pledged Tax Revenues	Debt Service	Debt Service Coverage
2011/12	\$18,765,844	\$8,271,411	\$2,253,484	3.67
2012/13	19,128,442	8,239,661	2,254,884	3.65
2013/14	19,898,282	8,522,431	2,255,884	3.78
2014/15	21,485,075	9,215,366	2,247,259	4.10
2015/16	23,905,666	10,385,747	2,244,121	4.63

D. TOP TEN TAXABLE TAXPAYERS

Property Owner	Land Use	Total 2016/17	% of Total Value	% of Incremental Value ⁽¹⁾
Western A West California LLC.	Industrial	\$229,713,987	7.54%	9.27%
Stonegate 552	Residential	136,737,051	4.49%	5.52%
2250 Town Circle Holdings ⁽²⁾	Commercial	112,182,243	3.68%	4.53%
Day Street Owner LLC	Residential	109,514,472	3.59%	4.42%
Brixton Alto Shopping Center	Commercial	95,057,597	3.12%	3.83%
Rancho Belago Apartments LLC ⁽²⁾	Residential	94,591,476	3.10%	3.82%
Overlook at Rancho Belago Dev.	Residential	90,093,621	2.96%	3.63%
BRE Paragon MF Alvista Towngate CA	Residential	66,837,095	2.19%	2.70%
Buckhead Cactus Commerce	Industrial	55,558,011	1.82%	2.24%
Liberty Properties LP.	Industrial	48,868,527	1.60%	1.97%
TOTAL TOP TEN TAXPAYERS		\$1,039,154,080	34.10%	41.92%
TOTAL PROJECT AREA VALUE		\$3,047,611,811		

(1) 2016/17 Incremental Net Assessed Value Total: \$2,478,775,643.

(2) Property Owner has pending assessment appeals.

Note: For information on the Top Ten Taxable Taxpayers for the most recently ended fiscal year, reference is made to the 2014/15 Annual Continuing Disclosure Information Statement, dated as of February 29, 2016, filed on EMMA.

Source: Riverside County Assessor

E. ASSESSMENT APPEALS

According to the Riverside County data as of December 9, 2016, the following table details the outstanding appeals information by top ten taxable taxpayers within the Project Area in alphabetical order.

Resolved Appeals

Property Owner	No. of Parcels	Roll Year	Roll Value	Applicant's Opinion Value	Requested Reduction	Board Value	Actual Reduction
Buckhead Cactus Commerce LP.	1	2012	\$36,771,000	\$18,385,500	\$18,385,500	\$36,771,000	\$-
2250 Town Circle Holdings	2	2012	70,941,000	36,500,000	34,441,000	70,941,000	-
2250 Town Circle Holdings	2	2013	71,059,319	36,500,000	34,559,319	71,059,319	-
Brixton Alto Shopping Center	1	2015	1,274,974	637,488	637,486	1,274,974	-
Total	6		\$180,046,293	\$92,022,988	\$88,023,305	\$180,046,293	\$-

Source: Riverside County Assessor's Appeal Database, as compiled by Willdan Financial Services

Pending Appeals

Property Owner	No. of Parcels	Roll Year	Roll Value	Applicant's Opinion Value	Requested Reduction
2250 Town Circle Holdings	2	2014	\$71,381,926	\$60,000,000	\$11,381,926
Rancho Belago Apartments LLC.	1	2015	43,017,174	25,810,000	17,207,174
Rancho Belago Apartments LLC.	1	2016	42,132,875	25,280,000	16,852,875
Total	4		\$156,531,975	\$111,090,000	\$45,441,975

Source: Riverside County Assessor's Appeal Database, as compiled by Willdan Financial Services

VI. REDEVELOPMENT AGENCY DISSOLUTION

On December 29, 2011, the California Supreme Court upheld ABx1 26, which dissolved all redevelopment agencies (“RDA”) in California, effective February 1, 2012. Each successor agency is now responsible for drafting an annual Recognized Obligation Payment Schedule (“ROPS”) delineating the enforceable obligations of the former RDA and their source of payment. ROPS are subject to the approval of the local oversight board, County Auditor-Controller, and Department of Finance. The Successor Agency’s schedule can be accessed by the link below.

http://www.moreno-valley.ca.us/city_hall/departments/fin-man-serv/neighborhood.shtml

VII. OCCURRENCE OF LISTED EVENTS

As amended, 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 or have not been previously reported during the fiscal year ended June 30, 2016.

1. Principal and interest payment delinquencies on the 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 Bonds.
6. Defeasances.
7. Tender offers.
8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the Successor Agency.
9. Ratings changes.

As amended, 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 or have not been previously reported during the fiscal year ended June 30, 2016.

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 Bonds.