

COMMUNITY FACILITIES DISTRICT NO. 5

STONERIDGE

ANNUAL
SPECIAL TAX &

2020/21

BOND ACCOUNTABILITY REPORT

REPORT DATE: MAY 2020

CITY OF MORENO VALLEY
SPECIAL DISTRICTS DIVISION
PUBLIC WORKS DEPARTMENT

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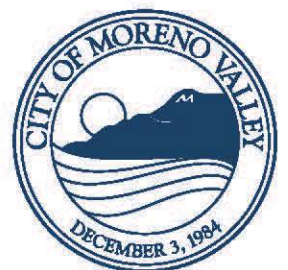


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* Acquired by Stifel, Nicolaus & Company, Inc. in January 2014

I. INTRODUCTION

A. DESCRIPTION OF PROCEEDINGS

The City of Moreno Valley ("City") is located in the western portion of Riverside County, surrounded by the cities of Riverside and Perris, March Air Reserve Base, and Lake Perris.

Community Facilities District (CFD) No. 5 of the City of Moreno Valley (the "District") was formed on October 25, 2005. On May 8, 2007, the City Council adopted a resolution to issue debt to finance a portion of the public improvement capital costs related to the Stoneridge Towne Centre. In May 2007, the City issued the CFD No. 5, 2007 Special Tax Bonds ("Bonds") in the amount of \$5,870,000. The Bonds are payable solely from revenues derived from annual special taxes levied on properties within the District.

The Bonds were issued to finance the cost of constructing and acquiring certain public improvements needed to develop property located within the District, pay costs related to the issuance of the Bonds, and fund the Reserve Fund and capitalized interest on the Bonds. Proceeds were also used to finance Eastern Municipal Water District (EMWD) fees for financing master planned capital facilities.

For further information about the City, District, or Bonds, reference is made to the Official Statement of the Bonds.

Table 1: Summary of Proceedings

CFD No. 5		
Document	Number	Date
Resolution Approving a Boundary Map	2005-78	September 13, 2005
Resolution of Intention to Establish the District	2005-79	September 13, 2005
Resolution Declaring the Necessity to Incur Bonded Indebtedness	2005-80	September 13, 2005
Resolution Forming and Establishing the District	2005-104	October 25, 2005
Ordinance Authorizing the Levy of a Special Tax	701	November 8, 2005
Resolution Authorizing the Issuance of Bonds	2007-51	May 8, 2007

CFD No. 5, 2007 Special Tax Bonds	
Date of Bond Issue (Dated Date)	May 31, 2007
Date of Bond Maturity	September 1, 2037
Amount of Bond Issue	\$5,870,000
Bond Rating	Not Rated

Table 2: Bond Principal

Year	CUSIP*	Principal	Year	CUSIP*	Principal
2009	616865 CV1	\$15,000	2017	616865 DD0	\$85,000
2010	616865 CW9	20,000	2018	616865 DE8	95,000
2011	616865 CX7	30,000	2019	616865 DF5	110,000
2012	616865 CY5	35,000	2020	616865 DG3	120,000
2013	616865 CZ2	45,000	2021	616865 DH1	135,000
2014	616865 DA6	55,000	2022	616865 DJ7	150,000
2015	616865 DB4	65,000	2027	616865 DK4	1,010,000
2016	616865 DC2	75,000	2037	616865 DL2	3,825,000

* Committee on Uniform Security Identification Procedures (CUSIP)

B. DISTRICT DESCRIPTION

The District incorporates the Stoneridge Towne Centre (“the Centre”) which, based on the original land use, included approvals for over 560,000 square feet of commercial retail center uses. The portion of the Stoneridge Towne Centre owned and occupied by Super Target and Kohl’s is approximately 23.28 acres (including 4.58 acres of parking lot) and is not subject to the special tax. Prior to the issuance of the Bonds, Target and Kohl’s directly paid for their improvement costs and did not finance those improvements through the Bonds. On June 26, 2006, a Notice of Cessation of Special Tax Lien for the Target and Kohl’s parcels was recorded with the Riverside County Recorder’s office. The reduced improvement costs financed through the District resulted in a reduction of the final amount of Bonds issued. Accordingly, the number of parcels subject to the levy of the special tax was also reduced.

The Official Statement lists the total building square footage for taxable parcels as 288,330, however, the Developer’s March 2018 Continuing Disclosure Annual Report states Phase 1 is 199,435 square feet, excluding the Target and Kohl’s parcels. In the Developer’s September 1, 2019 Report, it was noted that reporting is only provided for those Phase 1 parcels owned by Developer and exclude certain portions of Phase 1 and Phase 2. In April 2016, 4.9 acres of vacant land in Phase 2, was sold and developed as a Hyundai Auto Dealership. The undeveloped balance of Phase 2 (2.74 acres) is being marketed by the Developer for sale or ground lease. According to the Developer’s March 2020 Report, a ground lease with a purchase option was executed for the construction of a Tractor Supply Company store.

i. BOUNDARIES OF THE DISTRICT

The District originally included approximately 64 gross acres (33 net taxable acres), located at the southeast corner of the intersection of State Route 60 and Nason Street. The boundary map of the District was filed in the Riverside County Recorder’s office, as Instrument No. 2005-0785281, on Page 20 of Book 64 of the Book of Maps of Assessment and Community Facilities Districts, and is included in Appendix C.

ii. ASSESSED VALUATION

The most recent assessed value for taxable property within the District are listed below.

Table 3: Detailed Valuation

Assessor's Parcel Number	Property Owner	Development Status	Taxable Acres	Assessed Land Value	Assessed Structure Value	Total Assessed Value
488-400-002	LEDGER DEAN	Developed	0.66	\$ 436,968	\$ 551,412	\$ 988,380
488-400-008		Undeveloped	0.59	180,637	-	180,637
	MCA STONERIDGE LLC					
488-400-009	MCA STONERIDGE	Developed	1.91	1,272,960	2,837,640	4,110,600
488-400-010	MCA STONERIDGE	Developed	1.53	1,020,000	2,427,600	3,447,600
488-400-011	JP MORGAN CHASE BANK	Developed	0.37	393,271	33,292	426,563
488-400-012	KALMS	Developed	0.72	390,150	52,020	442,170
488-400-014	JP MORGAN CHASE BANK	Developed	0.31	353,736	2,143,224	2,496,960
488-400-015	KALMS	Developed	0.26	442,170	1,846,710	2,288,880
488-400-016	YANG JING	Developed	1.36	1,248,480	2,179,638	3,428,118
488-400-017		Developed	0.79	565,944	1,247,292	1,813,236
	J&R HOCK ENTERPRISES INC					
488-400-018	TASH GEORGE	Developed	0.58	527,482	2,210,850	2,738,332
488-400-019	WOFDR ENTERPRISES	Developed	1.06	962,370	1,331,712	2,294,082
488-400-020	LIANG TEH SHAN	Developed	0.92	468,180	520,200	988,380
488-400-021	MCA STONERIDGE	Developed	5.31	2,359,260	4,136,100	6,495,360
488-400-022	MCA STONERIDGE	Undeveloped	0.78	382,500	68,340	450,840
488-400-023	MCA STONERIDGE	Undeveloped	2.44	1,246,440	163,200	1,409,640
488-400-024	MCA STONERIDGE	Undeveloped	1.43	730,320	94,860	825,180
488-400-025	27150 EUCALYPTUS AVE	Developed	0.52	312,120	832,320	1,144,440
488-400-026	MCA STONERIDGE	Developed	1.89	1,259,700	3,258,900	4,518,600
488-400-027	MCA STONERIDGE LLC	Developed	0.06	18,365	9,927	28,292
488-400-028	MCA STONERIDGE	Developed	1.87	1,244,400	2,040,000	3,284,400
488-400-040	BOYLAND PROP MORENO VALLEY	Developed	4.89	2,392,920	7,631,334	10,024,254
488-400-041	STONERIDGE PHASE II LAND	Undeveloped	0.88	109,981	-	109,981
488-400-042	STONERIDGE PHASE II LAND	Undeveloped	0.93	62,064	-	62,064
488-400-043	STONERIDGE PHASE II LAND	Undeveloped	0.93	116,785	-	116,785
Total			32.99	\$ 18,497,203	\$ 35,616,571	\$ 54,113,774

Please refer to the Developer's Continuing Disclosure Reports for information pertaining to property ownership changes.
 Excludes parcels not subject to the special tax (Target and Kohl's parcels).
 Source: Property Owner-Riverside County GIS Parcel Data - February 2020.

Table 4: Historical Valuation

Fiscal Year	Assessed Land Value	Assessed Structure Value	Total Assessed Value
2008/09	\$ 4,124,198	\$ 23,296,560	\$ 27,420,758
2009/10	4,383,674	28,267,969	32,651,643
2010/11	4,373,257	28,200,959	32,574,216
2011/12	7,749,880	26,991,317	34,741,197
2012/13	7,904,867	27,531,134	35,436,001
2013/14	8,062,952	28,081,749	36,144,701
2014/15	8,388,672	29,223,882	37,612,554
2015/16	8,295,509	29,850,316	38,145,825
2016/17	8,727,342	30,482,427	39,209,769
2017/18	10,460,651	32,429,284	42,889,935
2018/19	10,669,851	33,077,861	43,747,712
2019/20	12,005,120	40,077,803	52,082,923
2020/21	18,497,203	35,616,571	54,113,774

Excludes exempt parcels (Target and Kohl's parcels).
 Source: Property Owner-Riverside County GIS Parcel Data - February 2020.

C. PUBLIC FACILITIES

i. CITY FACILITIES

The public improvements financed with Bond proceeds include all or a portion of the design, construction, and indirect and administration costs related to the construction of certain infrastructure improvements required in connection with the development of the Centre. These facilities include street improvements (i.e., subgrade preparation, curb and gutter, sidewalks/drive approaches, asphalt concrete base, paving, signage, and striping), street lighting, and traffic signals.

ii. EMWD FACILITIES

The District also financed certain fees for water and sewer facilities included in EMWD water and sewer capacity and connection fee programs (“Connection/Capacity Fees”). The EMWD Connection/Capacity Fees are used to finance expansion projects constructed by EMWD.

D. PUBLIC IMPROVEMENTS ACQUIRED

The public improvements listed in Table 1 of the Official Statement that have been acquired and paid from Bond proceeds are listed below.

Table 5: Public Improvements

Facilities/Fees	Acquired/Paid From Bond Proceeds
Street Improvements	
Nason Street	Yes
Eucalyptus Avenue	Yes
Fir Avenue	Yes
Dracaea Avenue	Yes
Traffic Signals	
Nason Street at Fir Avenue	Yes
Nason Street at Eucalyptus Avenue	Yes
Nason Street at Dracaea Avenue	Yes
Fir Avenue at Eucalyptus Avenue	Yes
Stoneridge Fir Entrance	Yes
Stoneridge Eucalyptus Entrance	Yes
EMWD Connection/Capacity Fees (Phase 1)	Yes
In compliance with the Acquisition/Financing Agreement (AFA) and the Fiscal Agent Agreement, Bond proceeds have been used to pay for certain facilities and fees.	

Stoneridge Centre Partners L.P. (“Developer”) entered into a Purchase and Sale Agreement with Beazer Homes Holdings Corp., a Delaware corporation (“Beazer”) on May 11, 2004. Pursuant to that agreement, Beazer was obligated to rough grade the property in the District for the Developer and complete certain shared infrastructure improvements. Beazer constructed all offsite improvements for the District. The costs of the offsite improvements, which were partially financed by the bonds, were estimated at over \$30,000,000 of which the Developer was responsible to pay 37%. The offsite improvements include facilities relating to sewer, water, electric, drainage, curbs, gutters, sidewalks, traffic signals, and the installation of approximately 1.7 miles of arterial roads.

E. CONSTRUCTION PROGRESS

The Centre is being developed in two phases. Phase 1 includes approximately 199,435 square feet of building space. Building permits have been obtained for all major tenants in Phase 1 except Major E, as referenced in the developers Continuing Disclosure Reports. Building permits for pads 12, 13, and 14 have not been issued. In prior developer Continuing Disclosure Reports, Phase 2 was proposed to consist of approximately 88,071 square feet of lease space.

In April 2016, the Developer sold 4.9 acres within Phase 2 for a 22,466 square foot Hyundai dealership. The dealership, which includes a show room and service bays, opened for business on April 7, 2018. The remaining portion of Phase 2 has not yet commenced construction, nor have any leases been signed for the remaining portion of Phase 2.

For additional information regarding ownership of each Phase, lease terms, proposed tenants, or the sale of land, reference is made to the developers’ Continuing Disclosure Reports filed with the Electronic Municipal Market Access (EMMA) service provided by the Municipal Securities Rulemaking Board (MSRB) (www.emma.msrb.org). The developers’ Continuing Disclosure Reports are due by March 1 and September 1 of each year.

F. DEVELOPMENT RESTRICTIONS

As of the date of this report, the City is not aware of any significant events that have occurred, which resulted in a reduction of the taxable acreage within the District.

An Interim Urgency Ordinance (Ordinance No. 859) was adopted by the City Council on January 22, 2013. The urgency ordinance placed a temporary moratorium on the issuance of land use entitlements in four designated areas along the State Route 60 east corridor, one of which included the undeveloped parcels in Phase 2 of the District. Ordinance No. 859 was effective for a period of 45-days. Pursuant to Government Code 65858, the City Council adopted Ordinance No. 861, extending the initial moratorium by ten months and 15-days during its February 26, 2013 meeting.

A study entitled “SR-60 East Corridor Study”, prepared by Raimi & Associates, was presented to the City Council during its January 14, 2014 meeting. The Study outlined several options for proposed land uses in each of the four designated areas. The Council received and filed the Study and recognized that Ordinance 861 would expire on January 23, 2014.

II. FINANCIAL INFORMATION

A. FINANCIAL STATEMENTS

The City's audited financial statements for the period ending June 30, 2020, will be filed separately with the EMMA service and are hereby incorporated by reference into this report. The audited financial statements are also available from the City's Financial & Management Services Department and available for review on the City's website at www.moval.org. The City's audited financial statements are provided solely to comply with the Continuing Disclosure Agreement. No funds or assets of the City have been pledged or are required to be allocated for the payment of debt service on the Bonds.

B. PRINCIPAL AMOUNT OUTSTANDING

The principal amount outstanding for the Bonds following the September 1, 2019 payment date was \$5,240,000. The Debt Service Schedule is included in Appendix B.

C. DESCRIPTION OF FUNDS

The Fiscal Agent Agreement (Articles III, IV and VI) ("Agreement") requires the Fiscal Agent to establish funds and accounts for the administration and control of the revenues and the proceeds of the Bonds. The following provides information regarding these funds and accounts.

i. IMPROVEMENT FUND

The Improvement Fund shall be established and maintained by the Fiscal Agent (Section 3.03) and shall contain the following accounts:

a) Acquisition and Construction Account

All amounts in the Acquisition and Construction Account have been expended to pay for the cost of design, acquisition, and construction of the project.

b) EMWD Account

All amounts in the EMWD Account were used for the payment or reimbursement of the costs of EMWD fee facilities.

ii. SPECIAL TAX FUND

The Trustee shall transfer available monies from the Special Tax Fund in accordance with the Agreement (Section 3.04).

a) Surplus Account

Any amounts remaining in the Special Tax Fund after transfers and deposits shall be deposited into the Surplus Account and distributed as set forth in the Agreement.

iii. BOND FUND

The Bond Fund shall be established and maintained by the Fiscal Agent (Section 4.02). In accordance with the Agreement, monies within the Bond Fund shall be disbursed for

the payment of principal and interest. Within the Bond Fund, there shall be established the following accounts:

a) Interest Account

All amounts in the Interest Account will be used solely to pay interest on the Bonds.

b) Principal Account

All amounts in the Principal Account will be used solely to pay the principal on the Bonds.

c) Special Tax Prepayment Account

All prepayments shall be deposited in the Special Tax Prepayment Account and shall be used for redeeming the Bonds.

Following the issuance of Bonds, there have been no prepayments of the special tax obligation for any parcels within the District.

iv. RESERVE FUND

The Fiscal Agent shall maintain a separate Reserve Fund for the Bonds. Amounts from this fund may be deposited into the Interest and Principal Accounts, if needed, to cure deficiencies (Section 4.03).

a) Reserve Fund Requirement

Following the September 1, 2019 debt service payment, the Reserve Requirement is \$546,000.

b) Reserve Account Draws

All debt service payments in fiscal year (FY) 2019/20 were made as scheduled with the use of special tax revenue. As of the date of this report, there are no Reserve Account deficiencies.

c) Excess Reserve Fund Transfers

Any funds in the Reserve Fund in excess of the Reserve Requirement are to be transferred to the Interest and Principal Accounts of the Bond Fund.

v. ADMINISTRATIVE EXPENSE FUND

The District shall pay administrative expenses from the Administrative Expense Fund. On or before the date amounts are needed to pay administrative expenses, the City, on behalf of the District, shall write a request for the Fiscal Agent to withdraw from the Administrative Expense Fund and transfer to the City the amount necessary to pay the administrative expenses.

vi. REBATE FUND

The District, in accordance with the Agreement (Section 6.02), shall calculate the arbitrage rebate requirement in accordance with the Tax Certificate for the Bonds and shall, in writing, direct the Trustee to transfer funds to the Rebate Fund from funds

furnished by the District as provided for in the Agreement. The first installment date computation was for the period ended September 1, 2011. The table below reflects the cumulative arbitrage calculation through September 1, 2019.

Table 6: Arbitrage Calculation Summary

Arbitrage Rebate Liability For the Period May 31, 2007 – September 1, 2019	
FV Prior Liability – 09/01/10	\$ (383,893.47)
Reserve	(279,629.10)
FV Computation Date Credit – 09/01/11	(2,259.09)
FV Computation Date Credit – 09/01/12	(2,192.35)
FV Computation Date Credit – 09/01/13	(2,140.25)
FV Computation Date Credit – 09/01/14	(2,075.25)
FV Computation Date Credit – 09/01/15	(2,011.54)
FV Computation Date Credit – 09/01/16	(1,914.33)
FV Computation Date Credit – 09/01/17	(1,843.91)
FV Computation Date Credit – 09/01/18	(1,786.32)
Computation Date Credit – 09/01/19	(1,730.00)
Total	\$ (681,475.61)
Rebate Liability (90% of Total)	
Source: Arbitrage Rebate Calculation dated December 2019 prepared by Willdan Financial Services	

vii. COSTS OF ISSUANCE FUND

All funds in the Costs of Issuance Fund were distributed in accordance with the Agreement and the fund was closed.

D. FUND BALANCES

All special taxes collected to date for FY 2019/20 have been transferred to the Fiscal Agent in compliance with the Fiscal Agent Agreement.

Table 7: Fund Balances

Fund / Account	Balance as of March 31, 2020
Improvement Fund	
Acquisition and Construction Account	\$ -
EMWD Account	-
Special Tax Fund	86,547.95
Surplus Account	-
Bond Fund	0.39
Interest Account	729.22
Principal Account	259.29
Special Tax Prepayment Account	-
Reserve Fund	546,000.00
Administration Expense Fund	4.63
Rebate Fund	-
Cost of Issuance Fund	-

III. COMPUTATION OF THE SPECIAL TAX REQUIREMENT

A. ADMINISTRATIVE EXPENSES

The anticipated administrative expenses payable during the period for FY 2020/21 are included in the calculation of the special tax requirement (Table 8) of this report. Expenses of this type shall be paid through the District's Administrative Expense Fund.

i. FISCAL AGENT FEES

This expense pays fees of the Fiscal Agent for carrying out its responsibilities associated with the Bonds and fund administration.

ii. ARBITRAGE REBATE CALCULATION

This expense is for calculating the arbitrage rebate as required by Federal Law.

iii. PROFESSIONAL SERVICES

This expense is for the preparation and dissemination of annual disclosure reports and significant events associated with the District. Expenses may also include disclosure legal counsel services.

iv. CITY COSTS—SPECIAL DISTRICTS

This cost is for the City's estimated expense in coordinating consultants, attorneys, bankers, investment bankers, and other contractors. In addition, City staff provides administrative services, prepares the Annual Special Tax and Bond Accountability Report, files the annual continuing disclosure report, prepares special tax levy information for submission to the Riverside County Auditor-Controller, monitors and routes tax installments to the Fiscal Agent, responds to customer inquiries, and ensures compliance with related laws.

v. CITY COSTS—ACCOUNTING

This is for the City's accounting of the Bond proceeds, fund monitoring, and administration of the debt service requirements, as well as costs associated with outside auditors or consultants.

vi. CITY COSTS—GENERAL ADMINISTRATION

This expense is for the City's general administrative services and includes overhead for personnel support, office rent and maintenance, insurance, and support from City Council, City Manager, purchasing, media, and communications.

vii. COUNTY COSTS

This expense is for the Riverside County fees to levy the special tax on the property tax roll. Riverside County assesses additional fees for any adjustments made to the property tax bills.

B. SPECIAL TAX REQUIREMENT

Table 8: Special Tax Requirement

SPECIAL TAX REQUIREMENT	
Annual Debt Service	\$ 390,287.50
Reserve Fund Replenishment	-
Collection for Delinquent Installments	-
Total Debt Requirement	\$ 390,287.50
Administrative Expenses:	
Fiscal Agent Fees	2,000.00
Arbitrage Rebate Calculation	1,250.00
Professional Services	1,950.00
Special Districts	30,000.00
Accounting	2,000.00
General Administration	18,000.00
Total City Administrative Expenses	\$ 55,200.00
County Costs:	
County Tax Roll Fees	150.00
Total County Administrative Expenses	\$ 150.00
TOTAL GROSS REQUIREMENT	\$ 445,637.50
ADJUSTMENTS: CREDITS & TRANSFERS	
Credits:	
Interest Earnings	\$ (14,017.39)
Total Interest Earnings	\$ (14,017.39)
Transfer to Reserve Fund	-
Adjustments & Contingency	-
Total Contributions / Transfers	\$ -
TOTAL ADJUSTMENTS	\$ (14,017.39)
TOTAL NET SPECIAL TAX REQUIREMENT	\$ 431,620.11

IV. SPECIAL TAX ALLOCATION

The City has the power, and as such is obligated, to levy and collect the special tax according to the rate and method of apportionment, which the legislative body (City Council) of the District and the eligible qualified electors within the District previously approved. The special tax formula apportions the total special tax requirement (principal, interest, administrative expenses, restoration of the Reserve Fund, if required, and anticipated delinquencies) each year and takes into account the availability of other revenues.

A. SPECIAL TAX RATES

The maximum annual special tax rate for each Assessor's Parcel of developed and undeveloped property was \$10,652 per acre for FY 2006/07, and shall increase thereafter, commencing on July 1, 2007 and on July 1 of each fiscal year thereafter, by an amount equal to two percent (2%) of the maximum annual special tax rate in effect in the previous fiscal year. The maximum special tax shall be applied to the developed property prior to the levy of any special tax on undeveloped property. The historical maximum special tax rate and the current fiscal year maximum and applied special tax rates for each parcel classification is listed below.

Table 9: Special Tax Rates

Maximum Special Tax Rate		
Fiscal Year	Annual Increase	per Acre
2006/07	base year	\$10,652.00
2007/08	2.00%	10,865.04
2008/09	2.00%	11,082.34
2009/10	2.00%	11,303.98
2010/11	2.00%	11,530.05
2011/12	2.00%	11,760.65
2012/13	2.00%	11,995.86
2013/14	2.00%	12,235.77
2014/15	2.00%	12,480.48
2015/16	2.00%	12,730.08
2016/17	2.00%	12,984.68
2017/18	2.00%	13,244.37
2018/19	2.00%	13,509.25
2019/20	2.00%	13,779.43
2020/21	2.00%	14,055.01

Development Status	FY 2020/21 Applied Rates
Developed Parcels	\$14,055.01
Undeveloped Parcels	10,038.14

B. RATE AND METHOD OF APPORTIONMENT

There have been no changes to the rate and method of apportionment approved or submitted to the qualified electors for approval, prior to the date of this report.

i. SPECIAL TAX LEVY

Each year, the City Council, acting as the Legislative Body of the District, shall approve and adopt a resolution of the Council approving the maximum and applied special tax rates for the fiscal year for which the special tax shall be levied, prior to the levy of such special tax. This amount will include, but is not limited to, the amounts required to pay for the debt service on any indebtedness, replenishment of the Reserve Account as necessary, payment of incidental or administrative expenses incurred by the District, a credit for any applicable interest earnings, and reasonably anticipated delinquent Special Taxes.

ii. SPECIAL TAX LIEN

The special taxes and any penalties thereon constitute a lien against the parcels of land that will be annually imposed until they are paid. Such lien is on parity with all special taxes and special assessments and is co-equal to and independent of the lien for general property taxes, regardless of when the taxes are imposed upon the same property. The special taxes have priority over all existing and future private liens imposed on the property. Although the special taxes constitute liens on taxed parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. There is no assurance that the owners will be financially able to pay the annual special taxes or that they will pay such taxes even if financially able to do so. With certain limitations, the City has covenanted to commence foreclosure proceedings in the event delinquencies occur.

C. SPECIAL TAX ALLOCATION

In accordance with the rate and method of apportionment, the special tax levy will first be uniformly applied to Developed Property in an amount not to exceed the maximum special tax rate. Then, if additional monies are needed to satisfy the annual special tax requirement, the special tax shall be levied proportionately on each Undeveloped Property. The following table provides the development status for taxable properties in the District, the bonded indebtedness for each parcel, along with the allocation of the FY 2020/21 maximum and applied special tax.

Table 10: Special Tax Allocation

Assessor's Parcel Number	Property Owner	Development Status ⁽¹⁾	Taxable Acres	FY 2020/21 Maximum Special Tax	FY 2020/21 Applied Special Tax ⁽²⁾	Percentage of Applied Special Tax	Bonded Indebtedness ^(3,4)
488-400-002	LEDGER DEAN	Developed	0.66	\$ 9,276.30	\$ 9,276.30	2.15%	\$ 104,831.75
488-400-008	MCA STONERIDGE LLC	Undeveloped	0.59	8,292.44	5,922.50	1.37%	93,713.12
488-400-009	MCA STONERIDGE	Developed	1.91	26,845.06	26,845.06	6.22%	303,376.83
488-400-010	MCA STONERIDGE	Developed	1.53	21,504.16	21,504.16	4.98%	243,019.16
488-400-011	JP MORGAN CHASE BANK	Developed	0.37	5,200.34	5,200.34	1.20%	58,769.20
488-400-012	KALMS	Developed	0.72	10,119.60	10,119.60	2.34%	114,361.91
488-400-014	JP MORGAN CHASE BANK	Developed	0.31	4,357.04	4,357.04	1.01%	49,239.04
488-400-015	KALMS	Developed	0.26	3,654.30	3,654.30	0.85%	41,297.35
488-400-016	YANG JING	Developed	1.36	19,114.80	19,114.80	4.43%	216,016.93
488-400-017	J&R HOCK ENTERPRISES INC	Developed	0.79	11,103.44	11,103.44	2.57%	125,480.31
488-400-018	TASH GEORGE	Developed	0.58	8,151.90	8,151.90	1.89%	92,124.87
488-400-019	WOFDR ENTERPRISES	Developed	1.06	14,898.30	14,898.30	3.45%	168,366.14
488-400-020	LIANG TEH SHAN	Developed	0.92	12,930.60	12,930.60	3.00%	146,129.10
488-400-021	MCA STONERIDGE	Developed	5.31	74,632.10	74,632.10	17.29%	843,419.62
488-400-022	MCA STONERIDGE	Undeveloped	0.78	10,962.90	7,829.76	1.81%	123,892.06
488-400-023	MCA STONERIDGE	Undeveloped	2.44	34,294.22	24,493.12	5.67%	387,560.02
488-400-024	MCA STONERIDGE	Undeveloped	1.43	20,098.66	14,354.56	3.33%	227,135.56
488-400-025	27150 EUCALYPTUS AVE	Developed	0.52	7,308.60	7,308.60	1.69%	82,594.71
488-400-026	MCA STONERIDGE	Developed	1.89	26,563.96	26,563.96	6.15%	300,200.12
488-400-027	MCA STONERIDGE LLC	Developed	0.06	843.30	843.30	0.20%	9,530.16
488-400-028	MCA STONERIDGE	Developed	1.87	26,282.86	26,282.86	6.09%	297,023.40
488-400-040	BOYLAND PROP MORENO VALLEY	Developed	4.89	68,728.98	68,728.98	15.92%	776,708.28
488-400-041	STONERIDGE PHASE II LAND	Undeveloped	0.88	12,368.40	8,833.56	2.05%	139,775.66
488-400-042	STONERIDGE PHASE II LAND	Undeveloped	0.93	13,071.14	9,335.48	2.16%	147,717.35
488-400-043	STONERIDGE PHASE II LAND	Undeveloped	0.93	13,071.14	9,335.48	2.16%	147,717.35
Total ⁽⁵⁾			32.99	\$ 463,674.54	\$ 431,620.10	100.00%	\$ 5,240,000.00
<p>⁽¹⁾ The Developer's Continuing Disclosure Reports contains information regarding the lease terms for each tenant.</p> <p>⁽²⁾ Developed parcels are levied at 100% of the Maximum Special Tax then Undeveloped parcels are levied proportionally up to the Maximum Special Tax.</p> <p>⁽³⁾ The Bonded Indebtedness is calculated based on the proration of each parcels' Maximum Special Tax multiplied by the Bonds outstanding. Bonds are not allocated to or secured by any particular parcel within the District.</p> <p>⁽⁴⁾ The City has not issued any additional land secured debt for the parcels within the District.</p> <p>⁽⁵⁾ Excludes parcels that are not subject to the special tax, 488-400-001 and 488-400-013 (owned by Target) and 488-400-003 (owned by Kohl's).</p> <p>Source: Property Owner-Riverside County GIS Parcel Data - February 2020.</p>							

D. DELINQUENCIES IN PAYMENTS

Any amounts required to establish or replenish the reserve fund resulting from the delinquency in the payment of special taxes for bonds issued by the District shall be included in the calculation of the annual special tax. To date, there are no delinquencies in payments.

Table 11: Delinquencies

Fiscal Year	Amount Levied	Amount Delinquent ⁽¹⁾	Percent Delinquent
2007/08	\$198,306.00	\$0.00	0.00%
2008/09	\$344,701.00	\$0.00	0.00%
2009/10	\$362,123.50	\$0.00	0.00%
2010/11	\$376,004.64	\$0.00	0.00%
2011/12	\$384,248.58	\$0.00	0.00%
2012/13	\$388,022.38	\$0.00	0.00%
2013/14	\$393,684.44	\$0.00	0.00%
2014/15	\$398,468.02	\$0.00	0.00%
2015/16	\$405,862.42	\$0.00	0.00%
2016/17	\$413,455.62	\$0.00	0.00%
2017/18	\$419,662.50	\$0.00	0.00%
2018/19	\$426,306.54	\$0.00	0.00%
2019/20	\$415,431.50	\$0.00	0.00%

⁽¹⁾ Amount delinquent per the Riverside County website (<https://taxpayments.co.riverside.ca.us/taxpayments/Search.aspx>) as of February 26, 2020.

E. FORECLOSURE ACTIONS

In the event of any delinquency in the payment of any special tax or receipt by the City of special tax in an amount which is less than the special tax due, the City has covenanted that within sixty days after each interest payment date it will commence foreclosure proceedings. Staff monitors payment of the special taxes and if delinquencies exist following an interest payment, the City will commence foreclosure proceedings in compliance with Section 5.11 of the Fiscal Agent Agreement.

Appendix A: Bond Accountability Report (SB 165)

This Bond Accountability Report is required to demonstrate the special tax requirement for each parcel within the District to meet the debt service requirements of the Bonds. Based on the special tax requirement, as calculated in Section III, the FY 2020/21 special tax levy for each taxable parcel is shown in Section IV.

The Local Agency Special Tax Bond and Accountability Act (“Act”), enacted by Senate Bill 165 and codified in the California Government Code Sections 53410 through 53412, requires local agencies to submit an annual report to its governing body on local bond measures sold after January 1, 2001. In addition to the Annual Special Tax Report, this report also serves as the Annual Bond Accountability Report as required per the Act. The purpose of the report is to comply with Section 53411 of the Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain 1) the amount of funds collected and expended and 2) the status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.”

The following tables represent the deposits and expenditures for the Improvement/Construction Fund as well as the expenses and revenues extracted from the City’s FY 2018/19 audited financials for the District. The special taxes collected from property owners of properties within the District are collected and expended to pay debt service and administrative expenses of the District. For additional financial information, please see Section II Financial Information of this report.

District	Date Bonds Issued	Improvement / Construction Fund Initial Deposit*	Balance as of December 31, 2018	Amount Expended to Date**	Project Status
CFD No. 5	May 31, 2007	\$4,646,390.15	\$0.00	\$4,845,788.69	See Section I D

*Does not reflect transfers from the Costs of Issuance Fund for the payment of the Acquisition Audit.
**Amount includes the disbursement of interest earnings.



Trial Balance Listing

Through 06/30/19

Detail Listing

Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Ending Balance
Fund 4108 - CFD#5 STONERIDGE					
Department 99 - Non-Department					
Division 99 - Non-departmental					
Section 94108 - Non-Dept CFD#5 STONERIDGE					
404000	Special Taxes	.00	10,860.37	440,554.79	(429,694.42)
460010	Interest Income - Investments	.00	.66	13,058.68	(13,058.02)
620299	Professional Svcs - Other	.00	5,200.00	.00	5,200.00
620320	Agency Svcs - Cnty	.00	101.92	.00	101.92
670314	Bond Principal	.00	95,000.00	.00	95,000.00
670410	Interest Expense	.00	268,125.00	.00	268,125.00
679010	Expenditure Close to Bal	.00	27,184.86	1,859.34	25,325.52
692020	Admin Chrg - Special Dist	.00	49,000.00	.00	49,000.00
Section 94108 - Non-Dept CFD#5 STONERIDGE Totals		\$0.00	\$455,472.81	\$455,472.81	\$0.00
Division 99 - Non-departmental Totals		\$0.00	\$455,472.81	\$455,472.81	\$0.00
Department 99 - Non-Department Totals		\$0.00	\$455,472.81	\$455,472.81	\$0.00

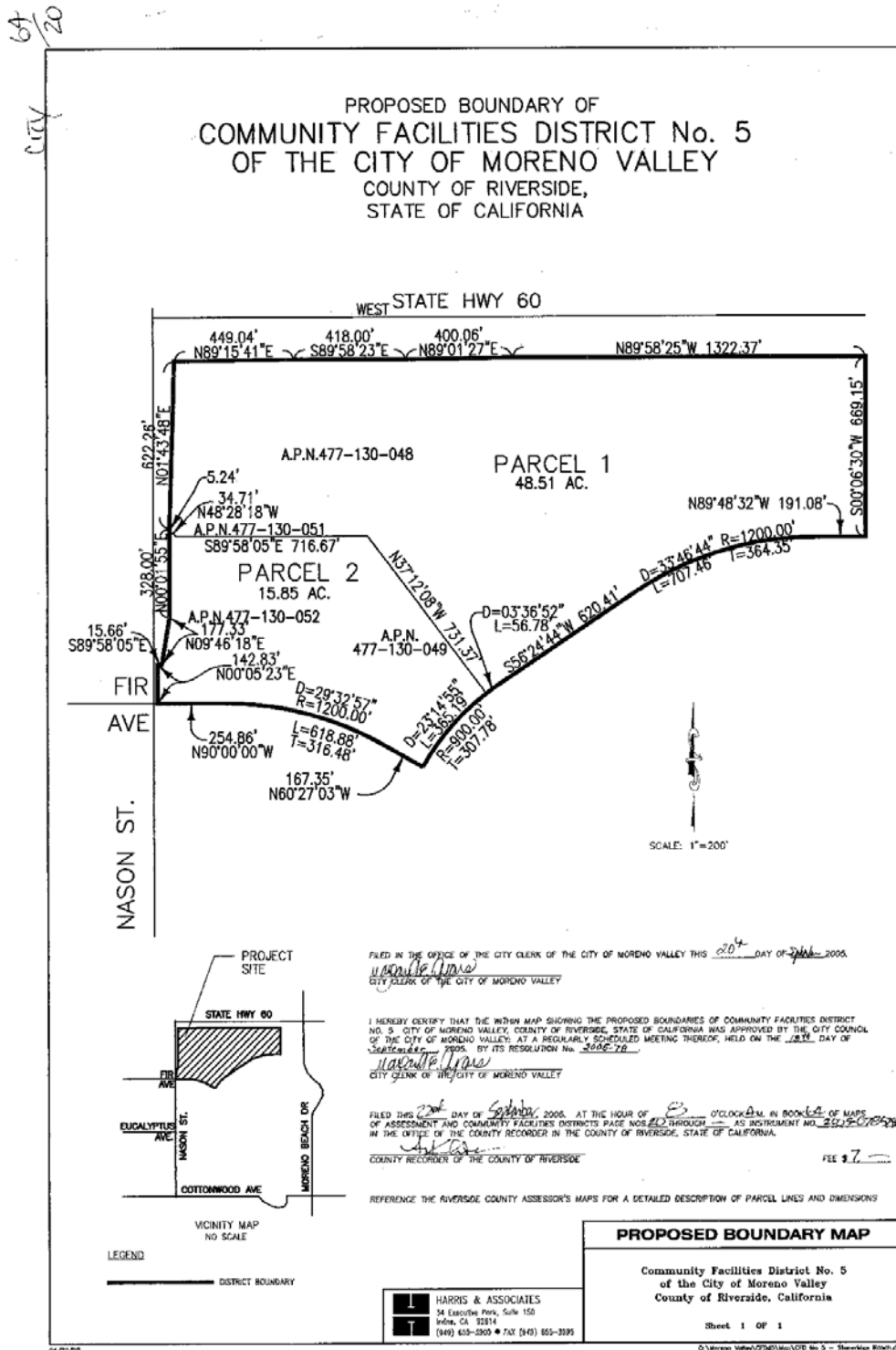
Appendix B: Debt Service Schedule

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 5 2007 SPECIAL TAX BONDS

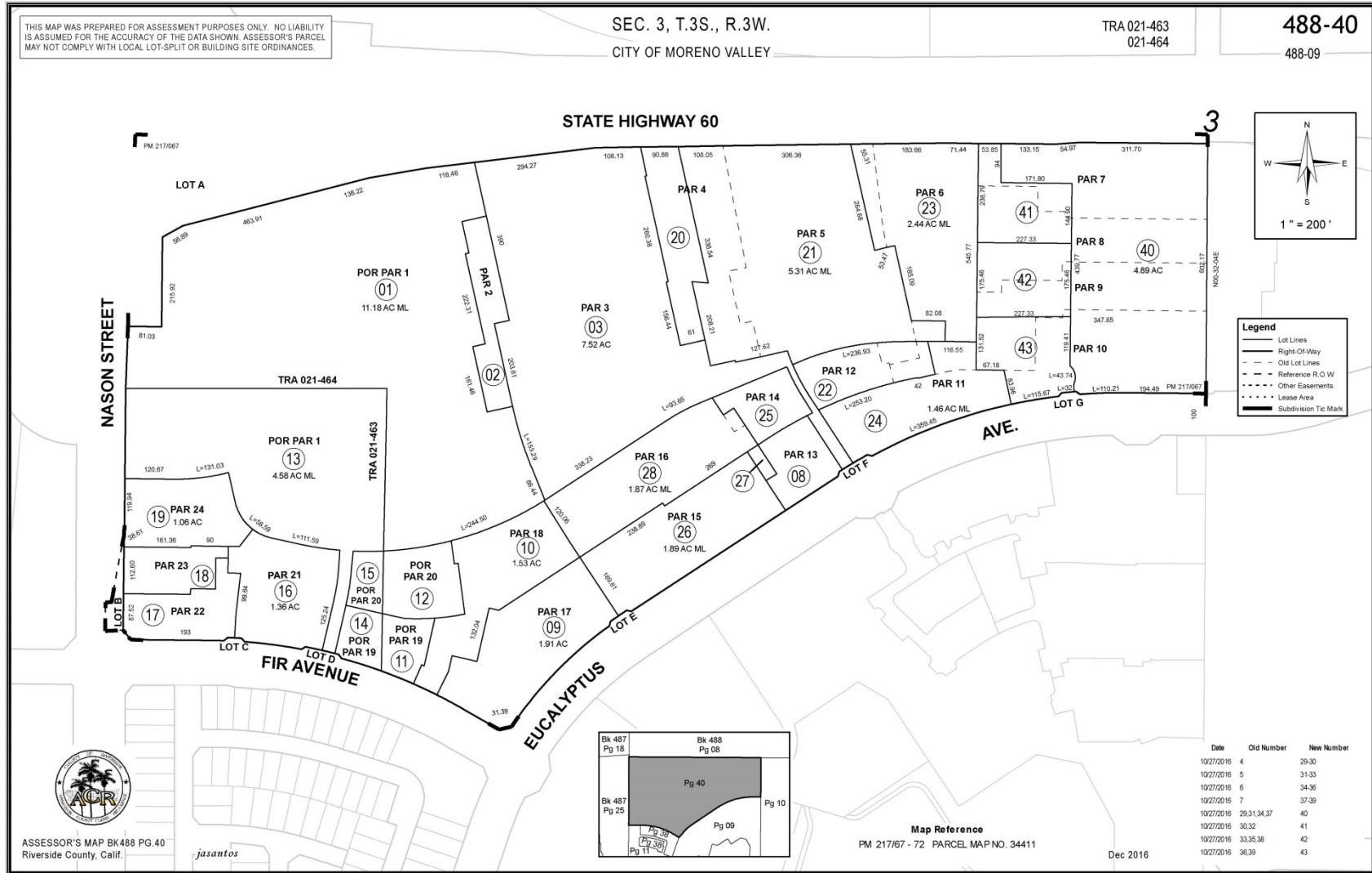
Dated Date 31-May-07 Last Maturity 1-Sep-37
 Issue Date 31-May-07 First Coupon 1-Sep-07
 First Maturity 1-Sep-09

Date	Principal Due	Interest Rate	Interest Due	Total Debt Service	Annual Debt Service	Principal Remaining
1-Sep-07	-		\$ 72,954.83	\$ 72,954.83	\$ 72,954.83	\$ 5,870,000
1-Mar-08	-		144,306.25	144,306.25	-	5,870,000
1-Sep-08	-		144,306.25	144,306.25	288,612.50	5,870,000
1-Mar-09	-		144,306.25	144,306.25	-	5,870,000
1-Sep-09	15,000.00	4.000%	144,306.25	159,306.25	303,612.50	5,855,000
1-Mar-10	-		144,006.25	144,006.25	-	5,855,000
1-Sep-10	20,000.00	4.000%	144,006.25	164,006.25	308,012.50	5,835,000
1-Mar-11	-		143,606.25	143,606.25	-	5,835,000
1-Sep-11	30,000.00	4.000%	143,606.25	173,606.25	317,212.50	5,805,000
1-Mar-12	-		143,006.25	143,006.25	-	5,805,000
1-Sep-12	35,000.00	4.100%	143,006.25	178,006.25	321,012.50	5,770,000
1-Mar-13	-		142,288.75	142,288.75	-	5,770,000
1-Sep-13	45,000.00	4.200%	142,288.75	187,288.75	329,577.50	5,725,000
1-Mar-14	-		141,343.75	141,343.75	-	5,725,000
1-Sep-14	55,000.00	4.300%	141,343.75	196,343.75	337,687.50	5,670,000
1-Mar-15	-		140,161.25	140,161.25	-	5,670,000
1-Sep-15	65,000.00	4.400%	140,161.25	205,161.25	345,322.50	5,605,000
1-Mar-16	-		138,731.25	138,731.25	-	5,605,000
1-Sep-16	75,000.00	4.500%	138,731.25	213,731.25	352,462.50	5,530,000
1-Mar-17	-		137,043.75	137,043.75	-	5,530,000
1-Sep-17	85,000.00	4.500%	137,043.75	222,043.75	359,087.50	5,445,000
1-Mar-18	-		135,131.25	135,131.25	-	5,445,000
1-Sep-18	95,000.00	4.500%	135,131.25	230,131.25	365,262.50	5,350,000
1-Mar-19	-		132,993.75	132,993.75	-	5,350,000
1-Sep-19	110,000.00	4.600%	132,993.75	242,993.75	375,987.50	5,240,000
1-Mar-20	-		130,463.75	130,463.75	-	5,240,000
1-Sep-20	120,000.00	4.700%	130,463.75	250,463.75	380,927.50	5,120,000
1-Mar-21	-		127,643.75	127,643.75	-	5,120,000
1-Sep-21	135,000.00	4.750%	127,643.75	262,643.75	390,287.50	4,985,000
1-Mar-22	-		124,437.50	124,437.50	-	4,985,000
1-Sep-22	150,000.00	4.750%	124,437.50	274,437.50	398,875.00	4,835,000
1-Mar-23	-		120,875.00	120,875.00	-	4,835,000
1-Sep-23	165,000.00	5.000%	120,875.00	285,875.00	406,750.00	4,670,000
1-Mar-24	-		116,750.00	116,750.00	-	4,670,000
1-Sep-24	185,000.00	5.000%	116,750.00	301,750.00	418,500.00	4,485,000
1-Mar-25	-		112,125.00	112,125.00	-	4,485,000
1-Sep-25	200,000.00	5.000%	112,125.00	312,125.00	424,250.00	4,285,000
1-Mar-26	-		107,125.00	107,125.00	-	4,285,000
1-Sep-26	220,000.00	5.000%	107,125.00	327,125.00	434,250.00	4,065,000
1-Mar-27	-		101,625.00	101,625.00	-	4,065,000
1-Sep-27	240,000.00	5.000%	101,625.00	341,625.00	443,250.00	3,825,000
1-Mar-28	-		95,625.00	95,625.00	-	3,825,000
1-Sep-28	265,000.00	5.000%	95,625.00	360,625.00	456,250.00	3,560,000
1-Mar-29	-		89,000.00	89,000.00	-	3,560,000
1-Sep-29	285,000.00	5.000%	89,000.00	374,000.00	463,000.00	3,275,000
1-Mar-30	-		81,875.00	81,875.00	-	3,275,000
1-Sep-30	310,000.00	5.000%	81,875.00	391,875.00	473,750.00	2,965,000
1-Mar-31	-		74,125.00	74,125.00	-	2,965,000
1-Sep-31	335,000.00	5.000%	74,125.00	409,125.00	483,250.00	2,630,000
1-Mar-32	-		65,750.00	65,750.00	-	2,630,000
1-Sep-32	360,000.00	5.000%	65,750.00	425,750.00	491,500.00	2,270,000
1-Mar-33	-		56,750.00	56,750.00	-	2,270,000
1-Sep-33	390,000.00	5.000%	56,750.00	446,750.00	503,500.00	1,880,000
1-Mar-34	-		47,000.00	47,000.00	-	1,880,000
1-Sep-34	420,000.00	5.000%	47,000.00	467,000.00	514,000.00	1,460,000
1-Mar-35	-		36,500.00	36,500.00	-	1,460,000
1-Sep-35	455,000.00	5.000%	36,500.00	491,500.00	528,000.00	1,005,000
1-Mar-36	-		25,125.00	25,125.00	-	1,005,000
1-Sep-36	485,000.00	5.000%	25,125.00	510,125.00	535,250.00	520,000
1-Mar-37	-		13,000.00	13,000.00	-	520,000
1-Sep-37	520,000.00	5.000%	13,000.00	533,000.00	546,000.00	-
Total	5,870,000.00		\$ 6,498,394.83	\$ 12,368,394.83	\$ 12,368,394.83	

Appendix C: District Boundary Map



Appendix D: Assessor's Parcel Map



Appendix E: Stoneridge Towne Centre Site Plan



Bondowners should not assume that the mix of tenants shown above will lease property within the District through the maturity of the Bonds.

Source: Official Statement for the CFD No. 5, 2007 Special Tax Bonds dated May 17, 2007.