COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
TUESDAY, AUGUST 26, 2025

MINUTE ORDER NO. 10

SUBJECT: NEW TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982 (TEFRA) PROCESS FOR THE COUNTY OF SAN DIEGO (DISTRICTS: ALL)

OVERVIEW

County staff have conducted a comprehensive review of the administrative process under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), with the objective of streamlining operations and aligning with standard practice. On April 29, 2025, County staff convened a meeting with several Joint Powers Authorities (JPAs) to discuss the current TEFRA process. The discussion focused on opportunities to enhance efficiency and implement scheduling improvements. Under the existing process, TEFRA hearing requests are submitted to the County by a JPA, as a governmental bond issuer, throughout the year. Upon staff review, a Board Letter is docketed, and the item is presented as part of the discussion calendar at a Board meeting in order to hold a public hearing and document the County's approval, as required by TEFRA and issuer guidelines.

To improve efficiency and better align with industry standards, County staff recommends the following modification for Board consideration: having the TEFRA public hearing administration conducted by the JPA/issuer with assistance from County staff. This recommendation is based on benchmarking with other jurisdictions. Since the public hearing requirement would be fulfilled, the remaining action for the Board is to adopt a resolution confirming that the TEFRA requirements have been satisfied and the issuance serves the public benefit, enabling its placement on the consent agenda. This would create flexibility in scheduling for the JPA/issuer, help to ensure adequate time for review and coordination by County staff, and give the members of the public who wish to comment on the hearing time-certainty for their public comment.

Today's action requests the Board's approval of the proposed changes, including providing direction to the Debt Advisory Committee (DAC), under its purview to oversee any debt related items to maintain a policy for the County's TEFRA process.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. Approve the process change for the TEFRA public hearings to be conducted by the JPA or bond issuer in a manner that interested individuals have a reasonable opportunity to express their views, such as telephonically using a toll-free number that the public may call to make public comment. County-conducted TEFRA public hearings at Board of Supervisors meetings may be permissible on a case-by-case basis with prior approval from the Chief Financial Officer.

2. Adopt a resolution establishing the new public hearing process entitled:
   RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE CONDUCT OF PUBLIC HEARINGS PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, IN CONNECTION WITH THE ISSUANCE OF PRIVATE ACTIVITY BONDS FOR THE FINANCING AND/OR REFINANCING OF FACILITIES LOCATED WITHIN THE TERRITORIAL JURISDICTION OF THE COUNTY OF SAN DIEGO AND SUCH OTHER MATTERS RELATED THERETO.

EQUITY IMPACT STATEMENT
Streamlining the TEFRA process and aligning it with best practices from other jurisdictions will enhance public access and participation by dedicating a standalone procedure solely for the TEFRA public hearing. This change ensures that community members interested in the issue have a clear and focused opportunity to provide input, without competing for time and attention during a regular Board of Supervisors meeting with multiple agenda items. By removing potential barriers to engagement, this approach promotes greater transparency, equity, and inclusiveness in the decision-making process.

SUSTAINABILITY IMPACT STATEMENT
The proposed action will enhance the economic, social, and well-being benefits for the region by continuing to provide support to the JPA and borrowers involved in projects that directly benefit the community. This will drive tangible improvements by addressing the needs of underserved communities in San Diego County, ensuring that investments are made equitably and that all residents have the opportunity to thrive.

FISCAL IMPACT
There is no fiscal impact to the County as the JPA or borrower will incur the costs of the TEFRA hearing. County staff charge a fee to recover County costs, currently $991, for all services and staff time, payable after the Board of Supervisors has heard the TEFRA approval item. There will be no change in net General Fund costs and no additional staff years.

BUSINESS IMPACT STATEMENT
N/A

ACTION:
ON MOTION of Supervisor Anderson, seconded by Supervisor Aguirre, the Board of Supervisors took action as recommended, on Consent, and adopted Resolution No. 25-085 entitled: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE CONDUCT OF PUBLIC HEARINGS PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, IN CONNECTION WITH THE ISSUANCE OF PRIVATE ACTIVITY BONDS FOR THE FINANCING AND/OR REFINANCING OF FACILITIES LOCATED WITHIN THE TERRITORIAL JURISDICTION OF THE COUNTY OF SAN DIEGO AND SUCH OTHER MATTERS RELATED THERETO.

AYES: Aguirre, Anderson, Lawson-Remer, Montgomery Steppe, Desmond

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER
Clerk of the Board of Supervisors

Signed by Andrew Potter