



# COUNTY OF SAN DIEGO

## AGENDA ITEM

### BOARD OF SUPERVISORS

PALOMA AGUIRRE  
First District

JOEL ANDERSON  
Second District

TERRA LAWSON-REMER  
Third District

MONICA MONTGOMERY STEPPE  
Fourth District

JIM DESMOND  
Fifth District

**DATE:** August 26, 2025

**10**

**TO:** Board of Supervisors

### **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**

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

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

#### **ADVISORY BOARD STATEMENT**

The Debt Advisory Committee, composed of the Chief Financial Officer, Auditor and Controller, and the Treasurer-Tax Collector, concurs with this recommendation.

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

## **BACKGROUND**

The Chief Administrative Officer requested staff to explore updating the TEFRA process for the County of San Diego to make it more efficient and remove potential barriers for participation from the public.

In June 2025, it was publicly communicated that staff are reviewing the TEFRA administrative process and benchmarking other jurisdictions to streamline the hearing process while ensuring opportunities for the public to participate and comment with County staff presenting a recommended new process in the first quarter of Fiscal Year 2025-26.

County staff have conducted a comprehensive review of the administrative requirements under TEFRA, with the objective of streamlining operations and aligning with standard practices observed in other jurisdictions. On April 29, 2025, County staff convened a meeting with JPAs, in which the County is a member, 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, acting 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 section at a Board meeting.

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.

The first TEFRA approval under the new process is anticipated in the Winter 2025 following coordination with JPAs on implementation.

Today's action requests the Board's direction on implementing the proposed changes, including selection of responsible parties for public hearing administration and providing direction to the Debt Advisory Committee (DAC) under its purview to maintain a policy for the TEFRA process.

## **LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action supports the Community: Quality of Life Strategic Initiative in the County of San Diego's 2025-2030 Strategic Plan by continuing to provide support to the Joint Powers Authority (JPA) and borrowers involved in projects that directly benefit the community.

Respectfully submitted,

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



EBONY N. SHELTON  
Chief Administrative Officer

**ATTACHMENT(S)**

1. 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
2. County of San Diego Debt Advisory Committee TEFRA Hearing Policy
3. County of San Diego TEFRA Process and Requirements Calendar Year 2025