CLERK OF THE BOARD OF SUPERVISORS EXHIBIT/DOCUMENT LOG

MEETING DATE & AGENDA NO. <u>08/26/2025 #10</u>

STAFF DOCUMENTS (Numerical)

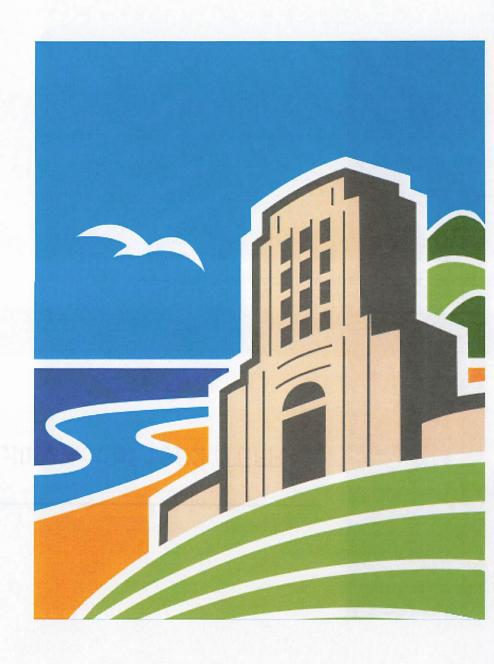
No.	Presented by:	Description:
1	Staff	7-page PowerPoint
2		
3		
4		
5		
	PUBLIC DOCUMENTS (Alphabetical)	
No.	Presented by:	Description:
A	27/4	
A	N/A	
В	N/A	
	N/A	
В	N/A	
В	N/A	

COUNTY OF SAN DIEGO

New Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Process for the County of San Diego (Item #10)

August 26, 2025





AGENDA

- New Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) process for the County of San Diego
 - Background
 - New Debt Advisory Committee Policy
 - Next Steps
 - Recommendation



New TEFRA Process

Background

- Governing Statute:
 - Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), a public hearing is a requirement of the Internal Revenue Service ("IRS") Section 147(f) for non-profit or for-profit borrowers issuing tax-exempt debt through a conduit issuer
- Prior County Process
 - No official policy
 - County operated TEFRAs on as-needed basis primarily driven by the issuers
 - Created delays in County business and operations as staff was reactionary to TEFRA needs
- Revision Process
 - April 2025 Staff met with JPAs to discuss need for efficiencies in the process
 - Staff researched and benchmarked County process against other counties including City/County San Francisco, County of Sacramento, Contra Costa County and others
 - Informed issuers and other municipalities that the County would be revising and implementing a new TEFRA process in the late-summer/early-Fall



New Debt Advisory Committee Policy

Key Policy Changes

- Established as a DAC process with annual review
- Issuer-led hearings with prior County approval and with appropriate documentation of the hearing to attach to the Board Letter
 - o Allows TEFRA hearings to be on the consent agenda
- Annual 2-page publication with key County process information including primary contacts, process information, information requirements and list of recommended BOS dates
 - o Will be provided to conduit issuers and posted on County's Investor Relations page
- Posting Public Notice of TEFRA hearing on County site (in addition to posting in local newspaper)
 - o Increased transparency and availability of information for public participation



New TEFRA Process Next Steps

Next Steps

- Heard on August 26th BOS meeting
- Information distributed to issuers and posted on County site
- First BOS meeting for TEFRA approvals likely on November 18, 2025



RECOMMENDATIONS

- Approve the process change for the TEFRA public hearings to be conducted by the Joint Powers Authority or bond issuer. 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.
- Approve the resolution for the conduct of TEFRA public hearings by Issuers subject to the receipt by the County from Issuers of a transcript of such TEFRA public hearings prior to the approval of the issuance of Bonds by the Board.



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