

NOTICE OF PUBLIC HEARING CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Contra Costa Local Agency Formation Commission (LAFCO) to consider a sphere of influence amendment and proposed dissolution of the Los Medanos Community Healthcare District (LMCHD).

Background: The LMCHD serves over 97,000 residents within the City of Pittsburg, small portions of the cities of Antioch, Clayton and Concord, unincorporated Bay Point and surrounding unincorporated areas. LMCHD previously operated the Los Medanos Community Hospital until 1994, when the hospital closed due to financial difficulties and bankruptcy. The District recovered and retired most of its remaining bankruptcy debt in 2007, with the exception of State financial obligations continuing through 2026.

LMCHD now leases its former hospital facilities to Contra Costa County for use as the Pittsburg Health Center. The District also sponsors and funds programs that provide health, wellness and prevention services.

The proposal to dissolve LMCHD and name the County as successor was submitted to LAFCO by resolution of the Contra Costa County Board of Supervisors. The County's principal reasons for the proposed dissolution are as follows. 1) LMCHD has not been a direct provider of healthcare services since declaring bankruptcy in 1994. LMCHD's administrative costs have been higher than average. 2) The County is the primary provider of healthcare services to low-income persons in the County, including hospital and satellite clinics and a multitude of specialized health care services. 3) LMCHD owns the Health Center which the County leases; the lease expired on July 31, 2018 and lease negotiations are pending. 4) Since 1998, the County has made capital improvements to the Health Center in excess of \$24 million.

As Lead Agency, the Contra Costa County Board of Supervisors has determined that the project is exempt from the California Environmental Quality Act pursuant to Class 20 – Changes in Governmental Organization.

In January 2018, LAFCO completed a Healthcare Services Municipal Services Review (MSR), which covered LMCHD. The MSR identified administrative deficiencies that LMCHD has addressed. The MSR also identified seven governance options including maintaining the status quo and dissolution. In conjunction with the MSR, the Commission maintained the District's existing sphere of influence, thus retaining the status quo.

Public Hearing: The public hearing to consider the proposed dissolution will be held on Wednesday, September 12, 2018 at 1:30 p.m. in the Board of Supervisors Chambers, 651 Pine Street, Martinez, CA.

At the LAFCO hearing, the Commission will consider all oral and written testimony of any interested persons or affected agencies. Only those issues brought up at the public hearing described in this notice or in written correspondence delivered to the Contra Costa LAFCO at or prior to the hearing may be raised in any legal challenge to the actions taken by the Commission with respect to an application.

All interested persons are invited to be present and heard on this matter. Written communications may be directed to: Lou Ann Texeira, Executive Officer, Contra Costa LAFCO, 651 Pine Street, 6th Floor, Martinez, CA 94553. For more information regarding Contra Costa LAFCO and the proposed dissolution of LMCHD, please visit the LAFCO website at www.conracostalafco.org.

LOU ANN TEXEIRA
LAFCO EXECUTIVE OFFICER

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