



Lou Ann Texeira
 Executive Officer

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Candace Andersen <i>County Member</i>	Michael R. McGill <i>Special District Member</i>
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City Member
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Special District Member
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November 14, 2018
 Agenda Item 7

November 14, 2018 (Agenda)

Contra Costa Local Agency Formation Commission
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Informational Report – Dissolution of Los Medanos Community Healthcare District

Dear Commissioners:

This is an informational report (1) transmitting a copy of LAFCO Resolution 17-13B, approved and amended by the Commission on September 12, 2018, which approved the dissolution of the Los Medanos Community Healthcare District (LMCHD), (2) providing information regarding the upcoming protest hearing on the LMCHD dissolution, (3) providing information on LMCHD’s request for reconsideration, and (4) submitting information regarding the Public Records Act (PRA) request submitted to LAFCO by the LMCHD.

AMENDMENTS TO LAFCO RESOLUTION 17-13B

At a public hearing on September 12, 2018, the Commission approved dissolution of LMCHD subject to certain terms and conditions. During the hearing, the Commission amended section 7(c) of LAFCO Resolution 17-13B and added two conditions [(g) and (h)] as shown below and on the attached (Attachment 1). The revised portions of Resolution 17-13B read as follows:

- c. In accordance with County Resolution 2018/436, the County shall establish the *Los Medanos Health Advisory Committee* to develop and implement the Los Medanos Area Health Plan Grant Program, which will identify disparities within the boundary of the LMCHD and make recommendations for funding health-related services through the grant program. The County shall ensure that the advisory committee operates in a manner consistent with County Resolution 2018/436 in terms of the committee’s purpose and duties, membership, terms of office, operation and procedural rules. The Committee shall, ~~consistent with the County’s resolution,~~ include five seven members appointed by the BOS, including one two members nominated by the City of Pittsburg, one two members nominated, ~~respectively~~ by, the Bay Point Municipal Advisory Council, two members appointed by the County Public Health Division, and the County Behavioral Health Division, and one at-large member appointed by the County’s Internal Operations Committee.

- g. The County shall expend at least 85% of the property tax revenue received from the property tax transfer to fund LMCHD programs and grants, with not more than 15% expended for administrative costs (i.e., not more than 10% for administrative overhead and at least 5% for reserves).
- h. Should there be any sale, transfer, redevelopment or reuse of the Pittsburg Health Center facility/property for use other than medical, health-related purposes, any profits, proceeds or new revenues generated from such sale, transfer, redevelopment or reuse shall be directed to healthcare related services/programs within the LMCHD community.

PROTEST HEARING

A protest hearing on the dissolution of LMCHD is scheduled for November 30, 2018 at 11:00 am. The hearing will be held at 651 Pine Street, 1st Floor (Board of Supervisors Chambers). A notice was published in the newspaper on October 2, 2018 announcing the protest hearing and including information regarding how, when, and where to file a written protest.

The LMCHD is an inhabited area (12 or more registered voters). The proposal to dissolve the District has less than 100% registered voter/landowner consent and is subject to a protest hearing. Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, LAFCO conducts the protest hearing, the purpose of which is to receive written protests from affected registered voters and landowners regarding the proposal and determine whether a valid protest exists. Written protests must be validated by County Elections if filed by a registered voter, and by the County Assessor's Office if filed by a landowner.

LAFCO staff has allowed the maximum amount of time for the protest proceedings, due to the size of the District (approximately 42,000 registered voters and a similar number of landowners), and due to the timing of the protest proceedings and the 2018 General Election. The County Elections office informed LAFCO staff that it would be challenging for their office to validate registered voter signatures during the month of November given the 2018 election.

With regard to this change of organization (i.e., dissolution), following the protest proceedings, the Commission shall ultimately take one of the following actions:

- **Order the dissolution** if written protests have been filed by less than 25% of landowners who own less than 25% of the assessed value of land within the affected territory, or by less than 25% of the registered voters residing within the affected territory, **or**
- **Order the dissolution subject to confirmation by the voters** if written protests have been filed by at least 25%, but less than 50%, of the registered voters residing in the affected territory, or by at least 25% of the number of owners of land who also own at least 25% of the assessed value of land within the affected territory, **or**
- **Terminate the proceedings** if a majority protest exists. A majority protest constitutes 50% or more of the voters residing in the territory.

Unless the Commission directs staff to continue the protest hearing will be held on Friday, November 30, 2018, at 11:00 a.m. The protest hearing has been duly noticed by LAFCO staff. The protest hearing will be conducted by the LAFCO Executive Officer, as the Commission has

delegated the authority to conduct this hearing on behalf of the Commission to the Executive Officer. Following the protest hearing, the written protests will be counted and, if needed, verified by County officials (i.e., Elections, Assessor). LAFCO staff will report the results of the protest hearing at the December 12, 2018 LAFCO meeting.

REQUEST FOR RECONSIDERATION

On October 12, 2018, LAFCO received a request for reconsideration from the Hensley Law Group sent on behalf of their client, the LMCHD. This item is further discussed under LAFCO agenda item #6.

PUBLIC RECORDS ACT REQUEST

On October 24, 2018, LAFCO received a PRA request from the Hensley Law Group sent on behalf of their client, the LMCHD (Attachment 2). On November 1, 2018, LAFCO staff responded to the PRA request informing the requestor of the availability of some of the records requested but also extending LAFCO's time to respond for an additional 14 days due to the need to potentially review off-site records and the potentially large amount of records to review.

Sincerely,

Lou Ann Texeira
Executive Officer

c: Distribution List

Attachments

- 1 – LAFCO Resolution 17-13B
- 2 – Public Records Act Request from LMCHD

RESOLUTION NO. 17-13B**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING DISSOLUTION OF THE
LOS MEDANOS COMMUNITY HEALTHCARE DISTRICT**

WHEREAS, on November 7, 2017, the Contra Costa County ("County) Board of Supervisors (BOS) adopted Resolution 2017/384 initiating dissolution of Los Medanos Community Healthcare District (LMCHD) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code), and requesting that Contra Costa LAFCO name the County as successor agency; and

WHEREAS, on September 4, 2018, the Executive Officer issued a certificate of filing deeming the County's application complete; and

WHEREAS, at the time and in the manner required by law the Executive Officer gave notice of the Commission's consideration of the proposal; and

WHEREAS, the Executive Officer reviewed available information and prepared a report including her recommendations therein, and the report and related information were presented to and considered by the Commission; and

WHEREAS, on September 12, 2018, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendations, the environmental document or determination, SOI and related factors and information; and

WHEREAS, on September 12, 2018, the Commission waived its policy which indicates that Spheres of Influence (SOIs) generally will not be amended concurrently with an action on the related change of organization or reorganization, and adopted Resolution 17-13A adopting a zero SOI for LMCHD signaling a future change of organization for the LMCHD; and

WHEREAS, LMCHD was formed in 1948 to build and operate a community hospital, and operated the Los Medanos Community Hospital until 1994, when the hospital closed due to financial difficulties and the District was forced to declare bankruptcy; and

WHEREAS, since 1998, the District has leased the hospital building to the County which houses the County's largest health clinic – the *Pittsburg Health Center (PHC)*, with over 100,000 patient visits per year; and

WHEREAS, currently, LMCHD provides community-based healthcare services to its residents through sponsoring and funding programs and activities related to health, wellness and prevention; and

WHEREAS, there are various Grand Jury reports and LAFCO Municipal Service Reviews (MSRs) covering LMCHD that noted that the District is not a direct provider of service, and identified challenges including high administrative costs and ongoing debt, outdated strategic plans and website information, and needed improvements in grant allocations and outcome measurement; and

WHEREAS, the LAFCO MSRs included governance options for LMCHD including dissolution; and

WHEREAS, in its application to dissolve LMCHD, the County has set forth a plan for providing services which includes continuation of grant funding for community programs; and

WHEREAS, LAFCO determines that dissolution of LMCHD and naming Contra Costa County as successor agency is in the best interest of the affected area and the total organization of local governmental agencies within Contra Costa County.

NOW, THEREFORE, the Contra Costa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. As determined by Contra Costa County, as Lead Agency, LAFCO finds that the project is Categorically Exempt pursuant to the California Environmental Quality Act (CEQA) Section 15061(b)(3) based on the determination that there is no possibility that dissolution of LMCHD may have a significant effect on the environment, consistent with the determination of Contra Costa County; and

2. The subject proposal is assigned the distinctive short-form designation and description:

DISSOLUTION OF THE LOS MEDANOS COMMUNITY HEALTHCARE DISTRICT

LMCHD encompasses the City of Pittsburg, small portions of the cities of Antioch, Clayton and Concord, unincorporated Bay Point and surrounding unincorporated areas and serves a community of over 97,000 residents within 90.5± square miles within Contra Costa County. The boundaries of the affected territory are found to be definite and certain as approved and set forth in Exhibit A, attached hereto and made a part hereof.

3. Notice of the Commission's hearing regarding this proposal was advertised in the *Contra Costa Times* (all editions).
4. Contra Costa County shall be the successor agency of LMCHD and all assets and liabilities of LMCHD shall be transferred to the County pursuant to Government Code sections 57450-57463.
5. In reviewing this proposal, the Commission has considered each of the factors required by Government Code section 56668.
6. The effective date of the dissolution shall be the date of filing the certificate of completion of the proposal.
7. Approval of the dissolution of LMCHD is subject to the following terms and conditions pursuant to Government Code section 57450-57463 and sections 56885 – 56890:
 - a. Contra Costa County, as applicant, has delivered an executed indemnification agreement between the County and Contra Costa LAFCO providing for the County as applicant to indemnify LAFCO against any expenses arising from any legal actions challenging the Dissolution of the Los Medanos Community Healthcare District.
 - b. The subject territory is inhabited, objections to the dissolution were received by affected landowners and registered voters with the LMCHD boundaries, and the proposal is subject to protest proceedings to be conducted no less than 30 days following the Commission's approval of the proposal.
 - c. In accordance with County Resolution 2018/436, the County shall establish the *Los Medanos Health Advisory Committee* to develop and implement the Los Medanos Area Health Plan Grant Program, which will identify disparities within the boundary of the LMCHD and make recommendations for funding health-related services through the grant program. The County shall ensure that the advisory committee operates in a manner consistent with County Resolution 2018/436 in terms of the committee's purpose and duties, membership, terms of office, operation and procedural rules. The Committee shall include seven members appointed by the BOS, including two members nominated by the City of Pittsburg, two members nominated by the Bay Point Municipal Advisory Council, two members appointed by the County Public Health Division and the County Behavioral Health Division, and one at-large member appointed by the County's Internal Operations Committee.
 - d. In accordance with County Resolution 2018/228, the County approved the property tax exchange in accordance with dissolution of LMCHD pursuant to the Revenue & Taxation Code. The property tax exchange shall also include transfer of the Redevelopment Property Tax Trust Fund (RPTTF) monies currently going to LMCHD to Contra Costa County. These funds will be used exclusively for health-related purposes within the LMCHD community.
 - e. In accordance with the BOS actions on July 10, 2018, the County Auditor-Controller shall establish the Los Medanos Community Healthcare revenue fund, a special revenue fund with the County Treasury, to

segregate the property tax revenue received by the County, and to use the property tax revenue exclusively for health-related purposes within the LMCHD community.

- f. In accordance with the County "Plan for Providing Services," the County will provide for the continuation of healthcare services in the LMCHD community, including operating and maintaining the Pittsburg Health Center. Also, the County will implement a grant program to replace the LMCHD's existing grant program and increase grant funding. The County will honor existing contracts the District has with community-based organizations during the transition period.

The County created the *Los Medanos Health Advisory Committee*, which will develop an area health plan to identify major health disparities that impact residents within the LMCHD community. This will enable the Committee to establish priorities for addressing community health and wellness needs. The plan will serve as a basis for seeking community partners, awarding grants and evaluating outcomes. The plan will be updated not less than every five years.

- g. The County shall expend at least 85% of the property tax revenue received from the property tax transfer to fund LMCHD programs and grants, with not more than 15% expended for administrative costs (i.e., not more than 10% for administrative overhead and at least 5% for reserves).
- h. Should there be any sale, transfer, redevelopment or reuse of the Pittsburg Health Center facility/property for use other than medical, health-related purposes, any profits, proceeds or new revenues generated from such sale, transfer, redevelopment or reuse shall be directed to healthcare related services/programs within the LMCHD community.
- i. In accordance with the County's Plan for Services and the BOS actions on July 10, 2018, the County Administrator will remit a settlement payment from the County to California's Office of Statewide Health Planning and Development (OSHPD) to resolve the outstanding balance of the District's bankruptcy debt.
- j. The two current LMCHD employees holding the positions of Executive Assistant and Administrative Assistant will have the option to retain their positions through December 31, 2018 to assist the County with the transition of records, contracts, bank accounts, etc. Subsequently, the County will explore opportunities for these two former District employees to fill appropriate County vacancies if interested and if they meet the education, experience and background requirements.
- k. The County will provide LAFCO with annual progress reports through 2025, with the first annual report to be submitted by January 31, 2020. The annual reports shall address the continuation of healthcare services in the LMCHD community, status of the grant program, the status of area health plan, and any other relevant information.

PASSED AND ADOPTED THIS 12th day of September 2018, by the following vote:

AYES: Andersen, Blubaugh, Glover, McGill, Skaredoff, Tatzin

NOES:

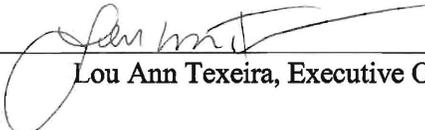
ABSTENTIONS:

ABSENT: Schroder (M)

MICHAEL R. MCGILL, CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated.

Dated: September 12, 2018



Lou Ann Teixeira, Executive Officer

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October 24, 2018

VIA ELECTRONIC MAIL
AND U.S. MAIL

Lou Ann Texeira, Executive Officer
Contra Costa Local Agency Formation Commission
651 Pine Street, 6th Floor
Martinez, CA 94553

Re: Public Records Act Request

Dear Ms. Texeira:

Our office has been retained as special counsel by the Los Medanos Community Healthcare District (the "District"). Pursuant to the California Public Records Act, on behalf of the District, I request that the Contra Costa Local Agency Formation Commission provide copies of the "public records" (as that term is defined in Gov't Code § 6252(e)) described below, including, without limitation, letters, memoranda, reports, emails, notes, messages, **text messages**, voicemails, and other written or electronic communications or documents within the possession, custody, or control of the County ("Records").

For purposes of this request, "LAFCO" means and includes the Contra Costa County Local Agency Formation Commission, and all LAFCO departments, and each individual officer, official (elected or appointed), employee, contractor, consultant, or agent thereof.

Descriptions of public records requested:

1. All correspondence between or among LAFCO personnel (including officials, employees, and consultants acting in a staff capacity) and all correspondence between or among County personnel any organization, individual, group of

individuals, or any combination thereof, regarding or referring to the Los Medanos Community Healthcare District from January 1, 2017 to the present.

2. All correspondence between or among LAFCO personnel (including officials, employees, and consultants acting in a staff capacity) and any organization, individual, group of individuals, or any combination thereof regarding or referring to the property owned by Los Medanos Community Healthcare District located at 2311 Loveridge Road, Pittsburg, California (also with addresses of 105 East Leland Avenue and 2240 Gladstone Drive including the buildings and the vacant property) "LMCHD Property," or any portion of the LMCHD Property, for the period January 1, 2017 to the present.
3. All records relating to Justin Tin, and/or any person or entity affiliated or associated with Justin Tin including Amerasia Global Fund, for the period January 1, 2014 to present; and
4. All records relating to the proposed dissolution of the District, or the application for dissolution of the District by the Board of Supervisors of Contra Costa County, for the period January 1, 2014 to present.
5. All records related to any recusals by Commissioner Federal Glover from decisions made by LAFCO for the period January 1, 2014 to present.
6. All correspondence between or among LAFCO personnel (including officials, employees, and consultants acting in a staff capacity) and any organization, individual, group of individuals, or any combination thereof regarding or referring to the sale of or development or construction proposals related to the LMCHD Property or any portion of the LMCHD Property for the period January 1, 2014 to the present.
7. All Form 700 Statements of Economic Interest for the period January 1, 2014 to present of Commissioner Federal Glover.
8. All records of Commissioner Federal Glover's attendance at AB1234 trainings for the period January 1, 2014 to present.
9. All correspondence between or among LAFCO personnel (including officials, employees, and consultants acting in a staff capacity) with Colin Coffey for the period January 1, 2107 to present.

This request is intended to include all public records actually possessed or maintained by the LAFCO, as well as those public records that the County constructively possesses through an

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employee, officer, official, contractor, consultant, sub-consultant, or service provider, including public records that are stored on the private devices of any person or of any entity other than the County.

If any of the Records described above are deemed exempt from disclosure for any reason, please inform me of the specific exemption being relied upon for each individual record that is withheld, and the person(s) responsible for making that determination. Also, if any portion of a Record is deemed exempt, please provide a copy of the Record with the confidential information redacted and inform me of the specific exemption relied upon for the redaction.

To the extent any responsive records are maintained or stored in electronic format, the undersigned requests that such Records be provided in that format. The District agrees to provide advance payment for any duplication costs.

If you have any questions, please contact me at 626-437-3865.

Very truly yours,



Elizabeth M. Calciano
Special Counsel
Los Medanos Community Healthcare District

cc: Itika Greene, Executive Director