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Special Meeting Focuses on Study of the Eden Township Healthcare District

The public is invited to a special meeting in Castro Valley next week that will examine a draft special study of the Eden Township Healthcare District (ETHD), also known as the Eden Health District, and its viability for the future. The meeting agenda is available on the Alameda Local Agency Formation Commission (LAFCo) website, <u>www.acgov.org/lafco</u>. The draft study, issued in December, is also available online for public review and comment. The study reviews the services ETHD currently provides, its financial position (including future obligations), and provides a fiscal analysis of various governance options, including dissolution.

The special meeting hosted by LAFCo will be at 6 p.m. on Tuesday, January 31, at the Castro Valley Library, 3600 Norbridge Avenue, Castro Valley. A consultant who authored the draft study will present an overview at the meeting, and people may offer comments to be considered in the creation of a final draft. Written comments can also be submitted online on the LAFCo website, or directly to Mona Palacios, LAFCo Executive Officer, at <u>mona.palacios@acgov.org</u> or via US Mail at: 1221 Oak Street, Room 555, Oakland, CA 94612. Comments submitted by February 3, 2017 will be considered in the development of the study's final draft.

In developing the draft study, LAFCo hosted three public meetings in October and November to allow constituents to express their views about the public value of the ETHD; what, if any, needs and priorities the District should address; and whether the District's functions should be provided by another entity in the future.

ETHD formed in 1948 to finance, construct and operate Eden Hospital in Castro Valley, but the District no longer owns and operates the hospital. Currently ETHD provides grant funding to health-related organizations, oversees an investment fund, and owns three office buildings where it leases office space to healthcare providers. The District covers Eden Township, which includes the unincorporated areas of Ashland, Castro Valley, Cherryland, Fairview, and San Lorenzo, and the cities of Hayward and San Leandro. It collects no tax revenues, and derives its revenue from net income from its office buildings. More information about the district is available at http://ethd.org/.

In recognition of the need for a more coordinated and efficient public service structure to support California's anticipated growth, the State Legislature established local agency formation commissions (LAFCos) in the mid-1960s. Among other duties, LAFCos are responsible for periodically reviewing the municipal services provided by local agencies under LAFCo jurisdiction. These service reviews, known as "Municipal Service Reviews" (MSRs), help LAFCo, other agencies and the public better understand the municipal service structure. In 2013, Alameda LAFCo completed an MSR of ETHD that concluded the District should continue in its current form.

Critics, including the Alameda County Grand Jury, have recently asserted that ETHD should be dissolved. Earlier this year, legislation was introduced in the State Assembly affecting the District, including one bill signed into law (AB 2737) that imposes spending requirements on healthcare districts such as ETHD. At a meeting last July, Alameda LAFCo approved a request from the City of Hayward to prepare a "Special Study" to help determine the future of ETHD.

A final draft of the special study should be released next month, after which additional public comment will be allowed in the development of a final study.

After the study is finalized, LAFCo commissioners will consider action that could include amending the District's sphere of influence, and/or initiating a reorganization or dissolution of the District.