



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 24-001

January 09, 2024

Introduced: 1/2/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

a. Adopt a resolution in support of Measure N, the Pajaro Valley Health Care District Bond, on the March 2024 ballot.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution in support of Measure N, the Pajaro Valley Health Care District Bond, on the March 2024 ballot.

SUMMARY:

Measure N, the Pajaro Valley Health Care District Bond, will appear on the March 5, 2024 ballot. If passed, Measure N will raise \$116 million to renovate, modernize, and expand healthcare services and equipment at Watsonville Community Hospital and continue to improve healthcare access and equity throughout the Pajaro Valley, southern Santa Cruz County, northern Monterey County and the Central Coast. If Measure N fails, Watsonville Community Hospital's long-term sustainability is uncertain. Closure of Watsonville Community Hospital would likely cause the collapse of Santa Cruz County's healthcare system, adversely impact Monterey County's healthcare system, and have negative impacts on thousands of central coast residents, businesses, and institutions. All funds raised through Measure N can only be invested into the physical improvement and expansion of Watsonville Community Hospital and will have several layers of community oversight to ensure that they are being spent as intended. The County of Monterey Board of Supervisors is committed to the health and well-being of our region's healthcare systems and has played a key role in returning Watsonville Community Hospital back to local, community ownership to preserve healthcare access and promote health equity.

DISCUSSION:

In 2022, Watsonville Community Hospital, which has served the community since 1895, nearly closed following a bankruptcy proceeding brought by the previous for-profit hospital owners. With the help of the State, our County, local leaders, and the community. The Pajaro Valley Health Care District assumed ownership of the hospital in September 2022 and is implementing a turnaround plan to put the hospital on a path toward financial sustainability. Recently, the district adopted a balanced budget for the upcoming year.

However, more remains to be done to ensure our community has access to affordable, high-quality healthcare. Watsonville Community Hospital needs assistance to upgrade and renovate facilities, improve emergency room services, and continue to improve the financial health of the hospital and the wellness of our neighbors.

The Pajaro Valley Health Care District placed Measure N on the March 5, 2024 ballot.

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Measure N would generate \$116 million in bonds at a rate of \$24 per \$100,000 of annual assessed (not market) value, or approximately \$2 a month. The funds would be used to:

- Expand and renovate the emergency room, increasing the number of beds from 12 to 22, to provide better emergency care and shorter wait times.
- Upgrade imaging systems including X-rays, MRI, and CT scanners.
- Purchase the hospital property, ensuring local control and saving \$3 million a year in rent payments, which could then be used to support nurses, doctors, and better healthcare.
- Repair, replace, or upgrade aging and deteriorated roofs, wiring, plumbing, heating, ventilation, and air conditioning systems.
- Modernize the hospital to provide additional local healthcare services.

Measure N is a proactive step toward fortifying Watsonville Community Hospital that supports the community’s long-held vision of building a thriving local healthcare provider whose influence on our community’s wellness extends far beyond the walls of the facility and can address various health inequities in South Santa Cruz County and North Monterey County and improve health outcomes. Measure N would equip the hospital to meet the evolving needs of our growing and aging population and fortify the Pajaro Valley Health Care District’s standing as a transformative and dynamic public entity that can positively impact the region.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office prepared this report. Information was obtained from the Santa Cruz County Elections Department, Monterey County Elections Department, and the County of Santa Cruz.

FINANCING:

Approval of this recommendation will have no impact on the general fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Annette D’Adamo, Legislative Coordinator
Approved by: Nicholas E. Chiulos, Chief Assistant CAO

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Attachments:
Resolution

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