

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 2013-04**

**Adopting Municipal Service Review Determinations, Sphere of Influence Determinations, and  
Updating the Sphere of Influence for the City of Alameda Healthcare District**

**WHEREAS**, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo) to develop and determine the sphere of influence (SOI) of each local governmental agency under LAFCo jurisdiction within the County; and

**WHEREAS**, Government Code Section 56425(g) requires that LAFCo review and update adopted SOI boundaries, as necessary, not less than once every five years; and

**WHEREAS**, Government Code Section 56430 requires that a municipal services review (MSR) be conducted prior to or in conjunction with a SOI update; and

**WHEREAS**, LAFCo conducted a municipal services review of the services provided by the City of Alameda Healthcare District; and

**WHEREAS**, the City of Alameda Healthcare District has a SOI that is coterminous to the District's jurisdictional boundary; and

**WHEREAS**, no change in regulation, land use or development will occur as a result of updating the CSA's coterminous SOI; and

**WHEREAS**, in the form and manner prescribed by law, the Executive Officer has given notice of a public hearing by this Commission regarding the SOI update action; and

**WHEREAS**, the MSR determinations, the SOI determinations and the SOI update were duly considered at a public hearing held on January 10, 2013; and

**WHEREAS**, the Alameda LAFCo heard and received all oral and written protests, objections and evidence that were made, presented or filed, and all persons present were given an opportunity to appear and be heard with respect to any matter pertaining to said action.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** that the Alameda LAFCo hereby:

1. Adopt the following MSR determinations:
  - a. Growth and Population Projections
    - i. As of 2010, the population within City of Alameda Healthcare District (AHD) was 73,847.
    - ii. Based on Association of Bay Area Governments (ABAG) growth projections the population of AHD is anticipated to be 84,185 by 2035.
    - iii. There are five planned or proposed projects within the City of Alameda that would consist of just over 400 residential units and some mixed uses within AHD's boundaries and SOI. These developments if completed would have minimal impact on demand for AHD services.
  - b. Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence
    - i. Using Census Designated Places, Alameda LAFCo determines that there are no disadvantaged unincorporated communities that meet the basic state-mandated criteria within the County. Alameda LAFCo recognizes, however, that there are communities in the County that

experience disparities related to socio-economic, health, and crime issues, but the subject of this review is municipal services such as water, sewer, and fire protection services to which these communities, for the most part, have access.

c. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

- i. With a 51 percent occupancy rate, AHD appears to have sufficient capacity to provide inpatient healthcare services to existing and future demand.
- ii. Alameda Hospital closed its emergency room (ER) to incoming patients for a total of 125 hours (1% of the time) during 2011. During that time, ambulances were diverted to other hospitals to accommodate patients. Diversion of ambulances to other facilities can decrease survival chances or increase the severity of injury. There is a need to develop strategies to reduce the number and type of ER closures through education, a decrease in unnecessary ER visits, and increase in ER capacity, or by other means.
- iii. Two out of the seven Alameda Hospital buildings do not meet the 2013 seismic requirements and are in need of retrofitting.
- iv. By comparison with other national healthcare providers, the AHD hospital facility is aging and in need of updating.
- v. There are three key projects that need to be completed by the end of FY 12-13 that relate to seismic compliance for the SB 90 Seismic Extension, CMS regulations and Bay Area Air Quality Management District regulations—bulk oxygen tank replacement, anchoring of emergency lighting, emergency communication and nitrous oxide canister anchoring; installation of sprinkler system within the sub-acute unit, and the boiler burner replacement project.
- vi. Based on patient outcomes, including heart attack mortality rates, ER closure rates, occupancy rates, and the number of district residents using AHD hospital, it appears that AHD services are adequate. While the hospital's relatively low occupancy rate compared to the statewide rate may indicate a service adequacy issue, it may also indicate an excess supply of hospital beds in the area.

d. Financial Ability of Agency to Provide Services

- i. AHD reported that its financing levels were adequate to deliver services; however, multiple challenges to financing were identified, including a reduction in Medicare and MediCal reimbursements, impacts of the recent recession and the loss of the Kaiser contract.
- ii. In FY 10-11, AHD's expenses exceeded revenues by about \$3 million dollars.
- iii. AHD has two long-term debts and a line of credit. The two notes payable are scheduled to be repaid in 2013 and 2014.
- iv. At the end of FY 10-11, AHD had a cash balance of \$2 million.

e. Status and Opportunities for Shared Facilities

- i. AHD participates in one joint financing arrangement.
- ii. No future opportunities for regional cooperation or shared facilities were identified.

f. Accountability for Community Services, Including Governmental Structure and Operational Efficiencies

- i. AHD is governed by a five-member Board of Directors. The Board updates constituents, broadcasts its meetings, solicits constituent input, discloses its finances, and some of its public documents on its website.
- ii. No alternative governance structure options with regard to AHD were identified.
- iii. AHD demonstrated accountability in its cooperation with the LAFCo information requests.

2. Retain the coterminous SOI for the City of Alameda Healthcare District as generally depicted in Exhibit A attached hereto.
3. Consider the criteria set forth in Government Code Section 56425(e) and determine as follows:

- a. *The present and planned land uses in the area, including agricultural and open-space lands* – AHD encompasses all land uses designated by the City of Alameda, including open space land. There are no agricultural or Williamson Act lands within the City. AHD’s SOI does not conflict with planned land uses; the District has no authority over land use, and the City of Alameda is an urban area needing AHD’s services. Services are presently being provided. Hospital and healthcare services are needed in all areas, and do not, by themselves induce or encourage growth on agricultural or open space lands.
  - b. *The present and probable need for public facilities and services in the area* –As indicated by demand for AHD’s services, there is a present and anticipated continued need for healthcare services offered by AHD.
  - c. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide* –With a 51 percent occupancy rate, AHD appears to have sufficient capacity to provide inpatient healthcare services to existing and future demand. However, the hospital facility is aging and in need of updates to remain competitive with other providers. Based on accreditation and accolades, AHD appears to provide adequate services. AHD is fully accredited for hospital services and has received several service awards. The hospital’s ER care consistently ranks in the top ten for patient satisfaction in the State. The MSR report indicates that acceptable service levels are being achieved, and the hospital has the resources to continue to provide services. Continuance of the existing service structure ensures acceptable levels of emergency, acute care and other medical services for residents, commuters, and visitors.
  - d. *The existence of any social or economic communities of interest in the area* – AHD was primarily formed to serve the residents of the City of Alameda. Most of the patients served by AHD live in the City. City residents voted to tax themselves to pay for district services, and have an economic interest in receiving those services. Residents of the cities of Oakland and San Leandro also use district services and have an interest in cost and adequacy of such services.
  - e. *Nature, location, extent, functions & classes of services to be provided* –AHD provides emergency room, general acute care, surgery, physical therapy, long term care services, and cardiac rehabilitation within the district boundaries, which encompass the City of Alameda. AHD provides services to both district residents and non-residents.
4. Determine, as lead agency for the purposes of the California Environmental Quality Act (CEQA), that update of the agency’s SOI and the related MSR are categorically exempt under Sections 15061(b)(3) and 15306, Class 6 of the CEQA Guidelines.
  5. Direct staff to file a Notice of Exemption as lead agency under Section 15062 of the CEQA Guidelines.

\* \* \* \* \*

This Resolution was approved and adopted by the Alameda Local Agency Formation Commission at the public hearing held on January 10, 2013, at 7051 Dublin Blvd., Dublin, California on the motion made by Commissioner Haggerty, seconded by Commissioner Sbranti, and duly carried.

Ayes: 7 (Commissioners Haggerty, Miley, Sblendorio, Wieskamp, Johnson, Sbranti, and Marchand)  
 Noes:  
 Excused:

/Nate Miley/

Nate Miley, Chair, Alameda LAFCo

Approved as to Form:

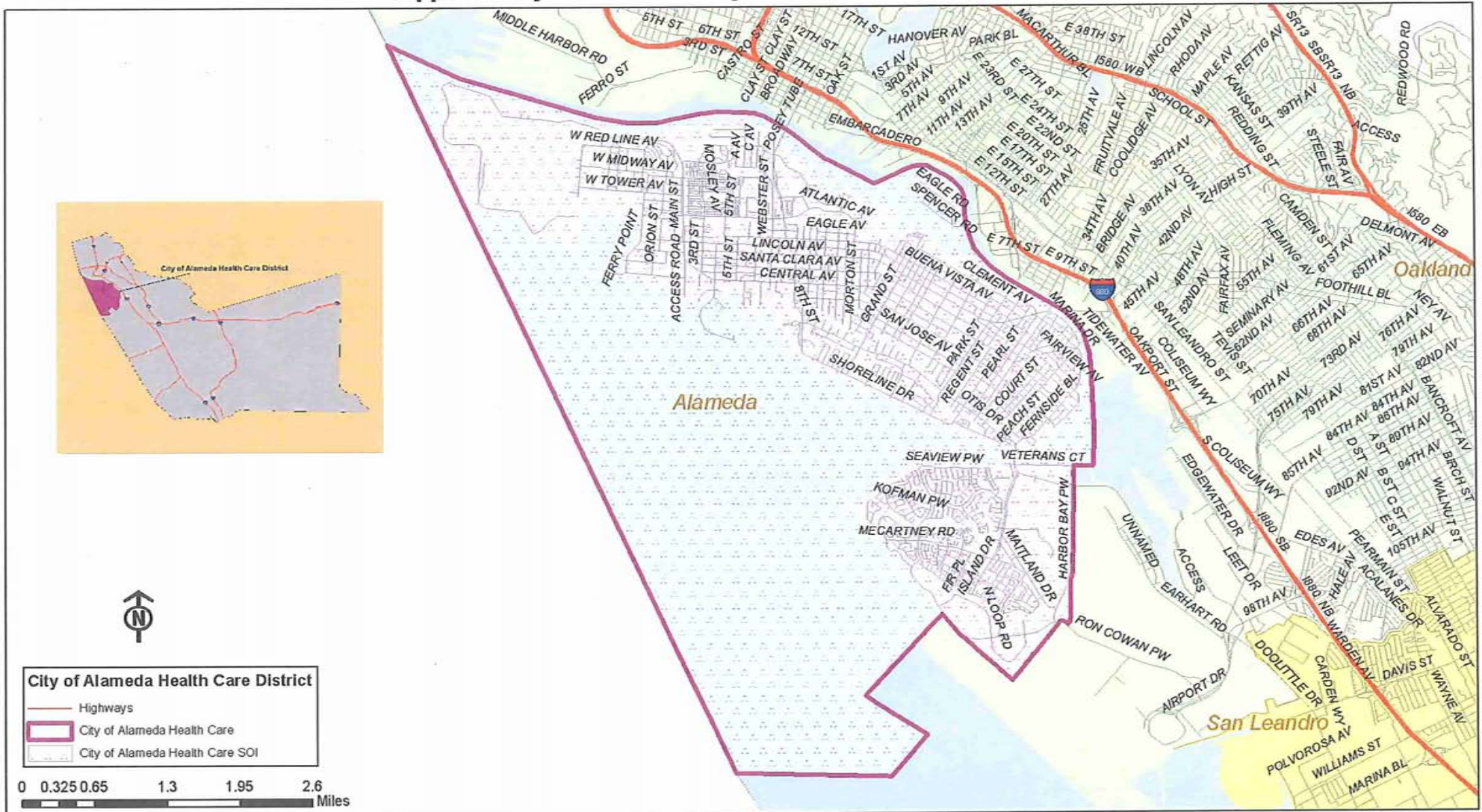
By:   
Andrew Massey, LAFCo Legal Counsel

**CERTIFICATION:** I hereby certify that the foregoing is a correct copy of a resolution adopted by the Alameda Local Agency Formation Commission, Oakland, California.

Attest:   
Mona Palacios, LAFCo Executive Officer

Date: 2/22/2013

### City of Alameda Health Care District Boundary and SOI\* Approved by Alameda County LAFCo, January 10, 2013



\*Agency sphere equals the service area boundary

Created for Alameda LAFCo by the Alameda County Community Development Agency