

DRAFT
RESOLUTION OF THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

**APPROVING THE PROPOSED TRI-CITY HEALTHCARE DISTRICT REORGANIZATION (RO17-09)
AND ASSOCIATED SPHERE OF INFLUENCE AMENDMENTS FOR TRI-CITY HEALTHCARE DISTRICT
AND PALOMAR HEALTH HEALTHCARE DISTRICT (SA17-09a AND SA17-09b)
AND
ESTABLISHING SPECIAL SPHERE OF INFLUENCE STUDY AREA DESIGNATIONS FOR TRI-CITY
HEALTHCARE DISTRICT AND PALOMAR HEALTH HEALTHCARE DISTRICT**

WHEREAS, Tri-City Healthcare District (HD) has filed a resolution of application with the Local Agency Formation Commission of the County of San Diego, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the proposal seeks Commission approval to reorganize approximately 36,700 acres of lands located in northern San Diego County and involves the following jurisdictional changes affecting three subject agencies, Tri-City HD, Palomar Health HD, and Fallbrook Regional HD as shown in Exhibit “A” and involve: annexation of approximately 8,232-acres to the Tri-City Healthcare District; detachment of approximately 25,657-acres from the Tri-City Healthcare District; annexation of approximately 57-acres to the Palomar Health Healthcare District; and, detachment of approximately 2,747-acres from the Fallbrook Regional Healthcare District; and

WHEREAS, portions of the affected territory as proposed currently lies outside of the spheres of influence established for Tri-City HD and Palomar Health HD, and as a result requires conforming amendments to accommodate the requested reorganization under Government Code Section 56375.5; and

WHEREAS, the Commission’s Executive Officer has reviewed the reorganization proposal and prepared a report with recommendations; and

WHEREAS, the Executive Officer’s report and recommendations on the reorganization proposal and need for concurrent sphere of influence amendments involving Tri-City HD and Palomar Health HD have been presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing along with a necessary concurrent sphere of influence amendments for consistency under Government Code Section 56375.5 on March 5, 2018.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby finds, determines, and orders the following:

1. The hearing was held on the date set therefore, and due notice of said hearing was given in the manner required by law.
2. At the hearing, the Commission called for, heard, and considered all interested parties and read and considered the Executive Officer’s report.

3. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering three distinct “projects” associated with the proposal and as detailed in the Executive Officer’s report: (a) the proposed reorganization; (b) corresponding sphere of influence amendments for Tri-City Healthcare District and Palomar Health Healthcare District; and (c) establishment of special sphere of influence study area designations for Tri-City Healthcare District and Palomar Health Healthcare District. The Commission finds – and consistent with the Executive Officer’s determination – all three projects are exempt from further environmental review because, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, the sphere of influence amendments and the “Tri-City Healthcare District Reorganization” are not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility for the proposed project to significantly impact the environment, and the activity is not subject to CEQA.
4. The Commission conditionally APPROVES amendments to the spheres of influence for Tri-City Healthcare District and Palomar Health Healthcare District as identified as SA17-09a and SA17-09b and shown in Exhibit “A”. Approval conditions follow.
 - a) Approval and completion of the associated proposed Tri-City Healthcare District Reorganization identified by the Commission as RO17-09.
5. The written statements of the Commission addressing the mandatory factors required for consideration any time spheres of influence are adopted, amended, or updated under Government Code Section 56425 are provided as Exhibit “B”.
6. The Commission conditionally APPROVES the proposed Tri-City Healthcare District Reorganization identified as RO17-09 without modification or amendment and as shown in Exhibit “C”. The following conditions must be satisfied within one calendar year – or March 5, 2019 – unless prior written request for an extension is received and approved by the Commission.
 - a) Completion of the 30-day reconsideration period provided under Government Code Section 56895.
 - b) Final confirmation by the County of San Diego Assessor’s Office of the completeness of the map and geographic description of the affected territory for recording with the State Board of Equalization.
 - c) Payment of any outstanding fees and/or charges requested by the Executive Officer consistent with the Commission’s adopted fee schedule.
 - d) Receipt by the Executive Officer of a written agreement between Tri-City Healthcare District and Palomar Health Healthcare District signed by their respective designees to phase the implementation of the corresponding property tax exchange before going into full effect no later than Fiscal Year 2022.

7. The affected territory as designated by the Commission is inhabited as defined in Government Code Section 56046.
8. The Commission waives conducting authority proceedings under Government Code Section 56663 given that the proposed reorganization territory includes more than 1,000 property owners and registered voters and that a public hearing notice for the proposal was published on February 12, 2018 in the San Diego Union-Tribune. The public hearing notice for the proposal included the required language regarding the intent of the Commission to waive protest proceedings; the need for submittal of any written opposition prior to the conclusion of proceedings; and the potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory.
9. All three subject agencies subject to the reorganization – Tri-City Healthcare District, Palomar Health Healthcare District, and Fallbrook Regional Healthcare District – utilize the regular assessment roll of the County of San Diego.
10. Upon effective date of the reorganization proposal, any previously authorized charges, fees, special assessments, rules, regulations, and ordinances that were lawfully enacted by the three subject agencies – Tri-City Healthcare District, Palomar Health Healthcare District, and Fallbrook Regional Healthcare District – will be applied to the affected territory as reorganized.
12. The effective date of the reorganization proposal shall be the date of recordation of the Certificate of Completion.
13. The Commission conditionally APPROVES the establishment of special sphere of influence study area designations for Tri-City Healthcare District and Palomar Health Healthcare District as shown in Exhibit “D”. Approval conditions follow.
 - a) Approval and completion of the associated proposed Tri-City Healthcare District Reorganization identified by the Commission as RO17-09.
14. As allowed under Government Code 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

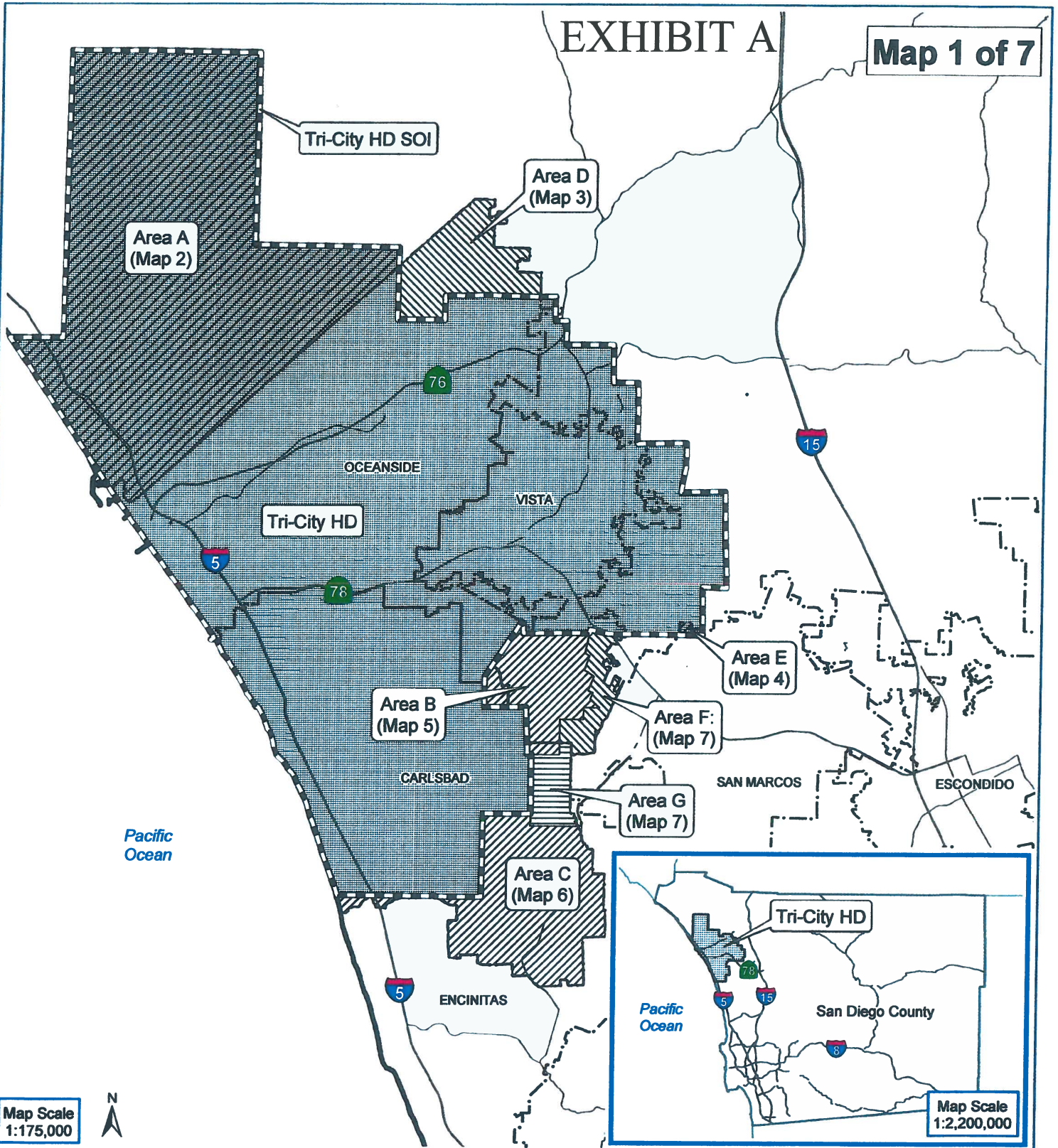
PASSED AND ADOPTED by the San Diego County Local Agency Formation Commission on March 5, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:



MAP 1: Overview of Tri-City HD Reorganization

SA17-09
RO17-09

PROPOSED "TRI-CITY HEALTHCARE DISTRICT REORGANIZATION"

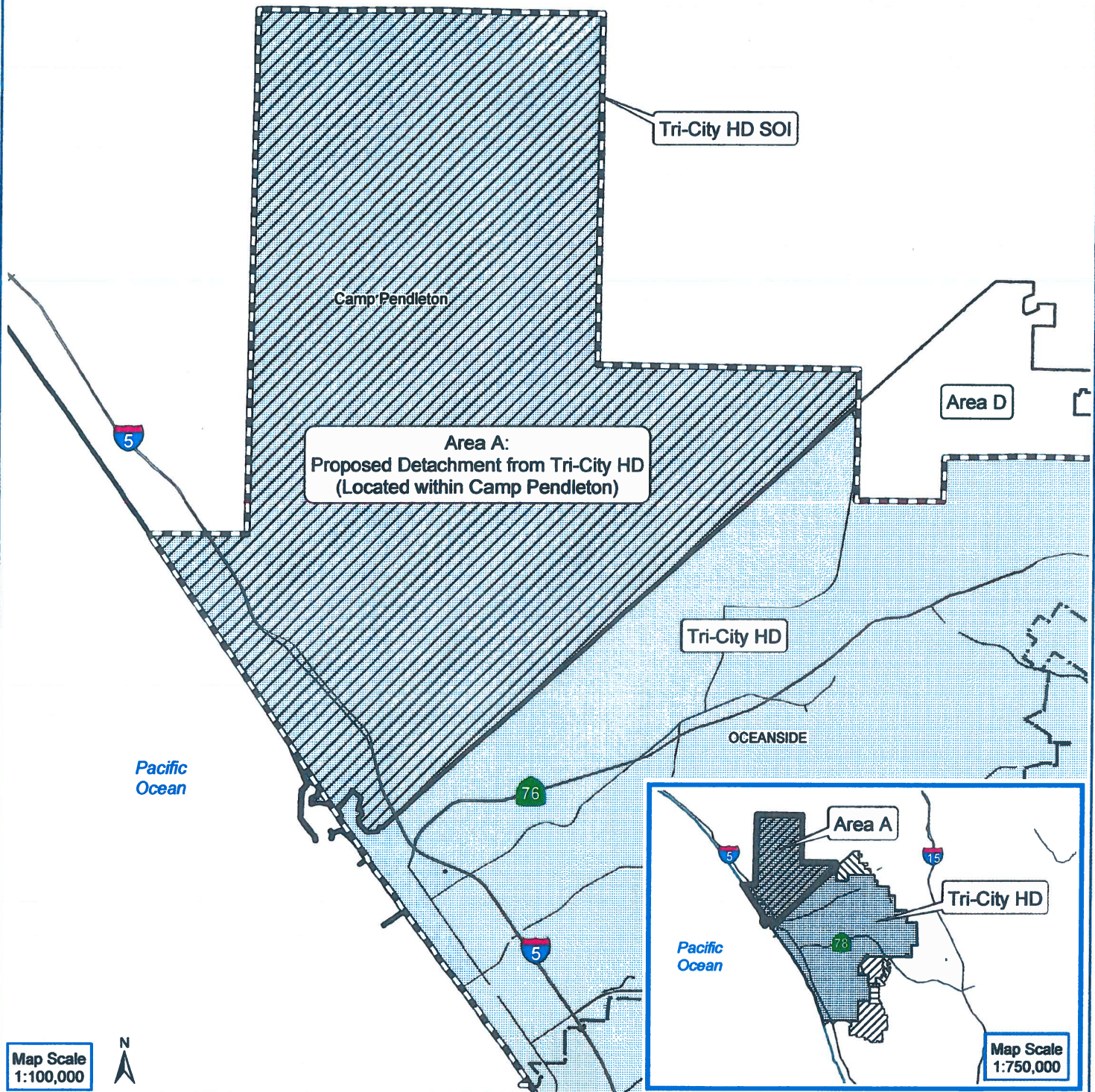
Tri-City HD
Tri-City HD SOI

SOI = Sphere of Influence

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MAP 2: Camp Pendleton Detachment (City of Oceanside/SOI)

SA17-09
RO17-09

PROPOSED "TRI-CITY HEALTHCARE DISTRICT REORGANIZATION"

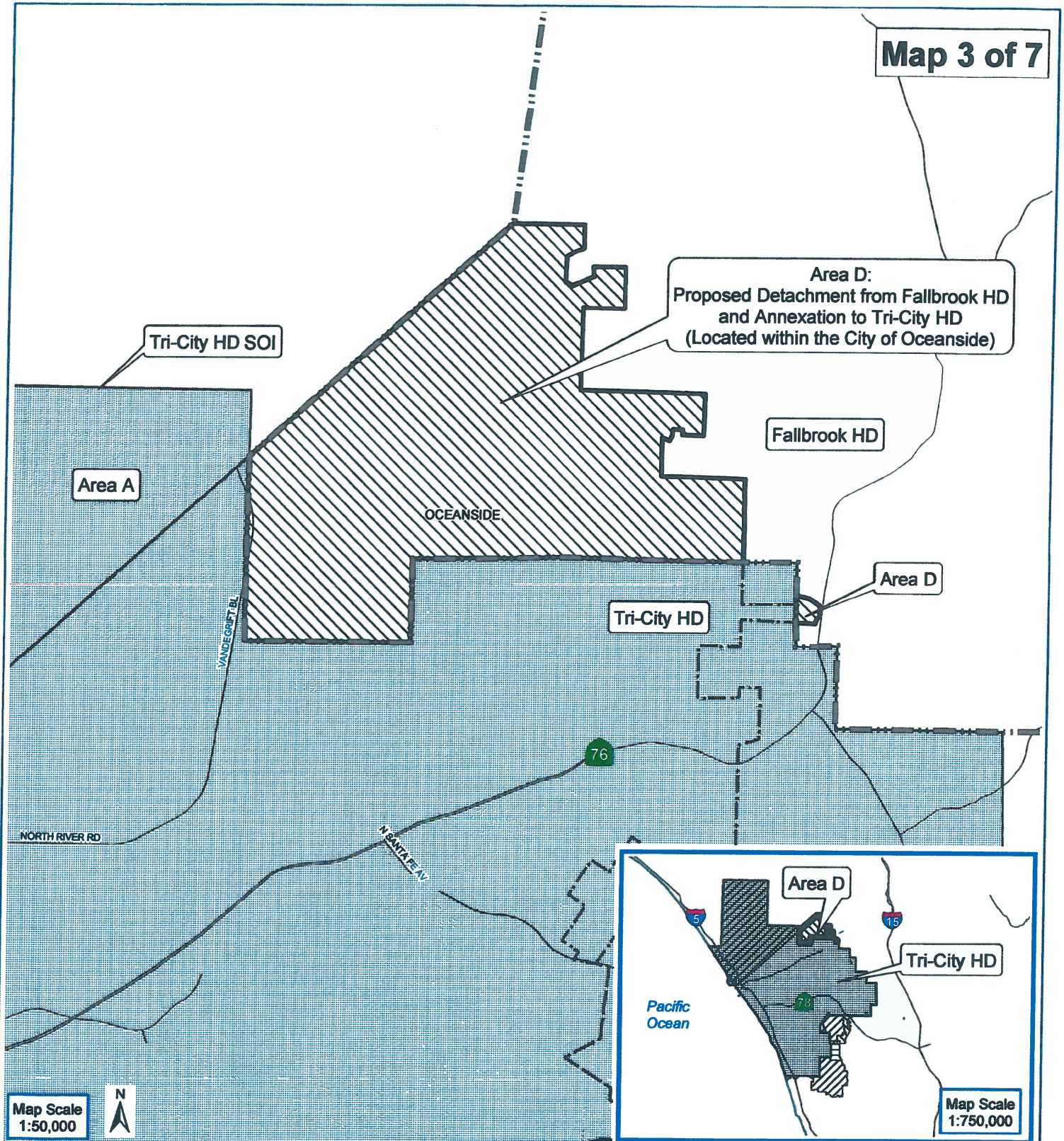
- Area A
- Tri-City HD
- Tri-City HD SOI

SOI = Sphere of Influence

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MAP 3: Tri-City HD/Fallbrook HD Reorganization (City of Oceanside)

SA17-09
RO17-09

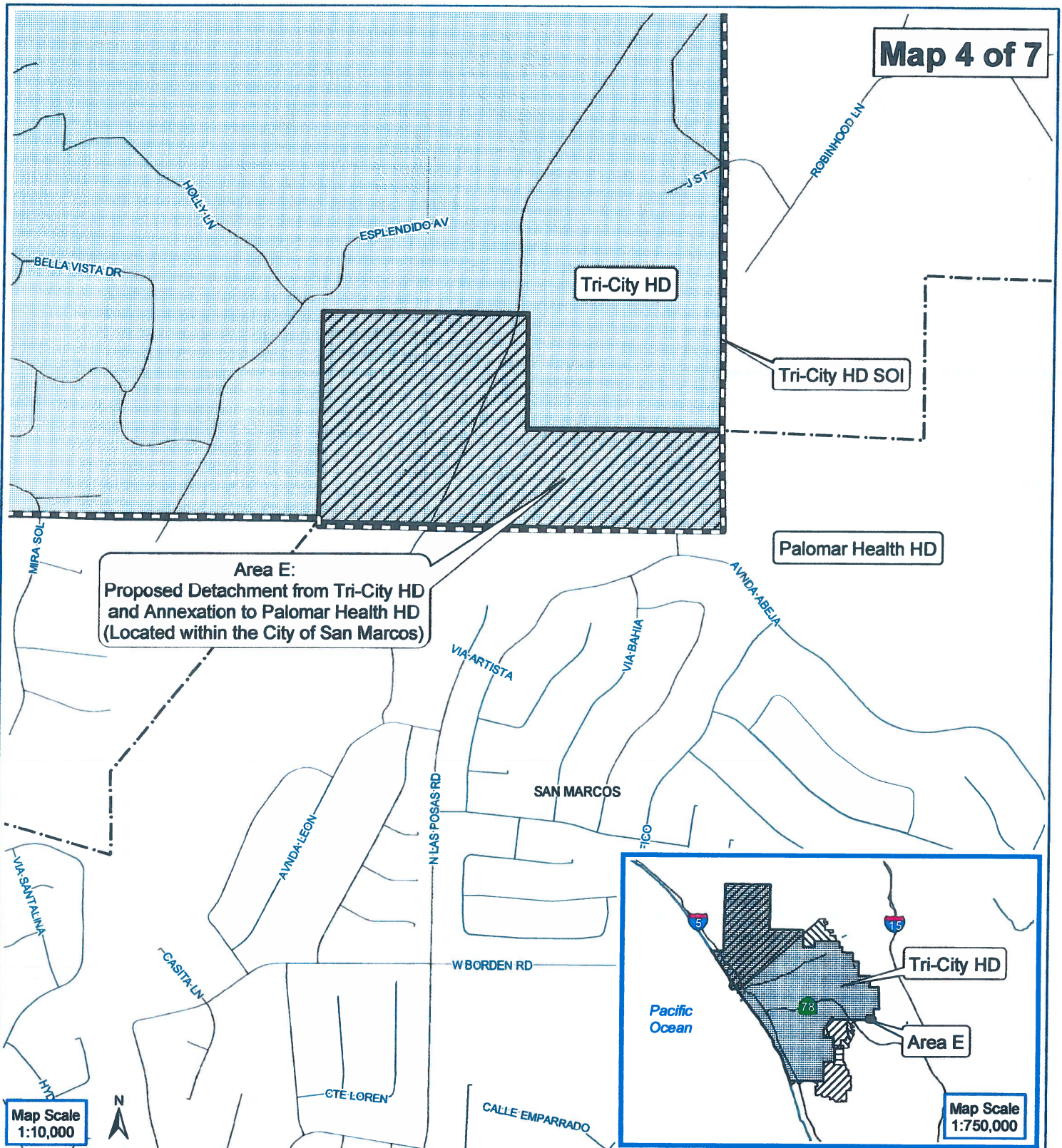
PROPOSED "TRI-CITY HEALTHCARE DISTRICT REORGANIZATION"

-  Area D
 -  Tri-City HD
 -  Tri-City HD SOI
 -  Fallbrook HD
- SOI = Sphere of Influence

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MAP 4: Tri-City HD/Palomar Health HD Reorganization (City of San Marcos)

SA17-09
RO17-09

PROPOSED "TRI-CITY HEALTHCARE DISTRICT REORGANIZATION"

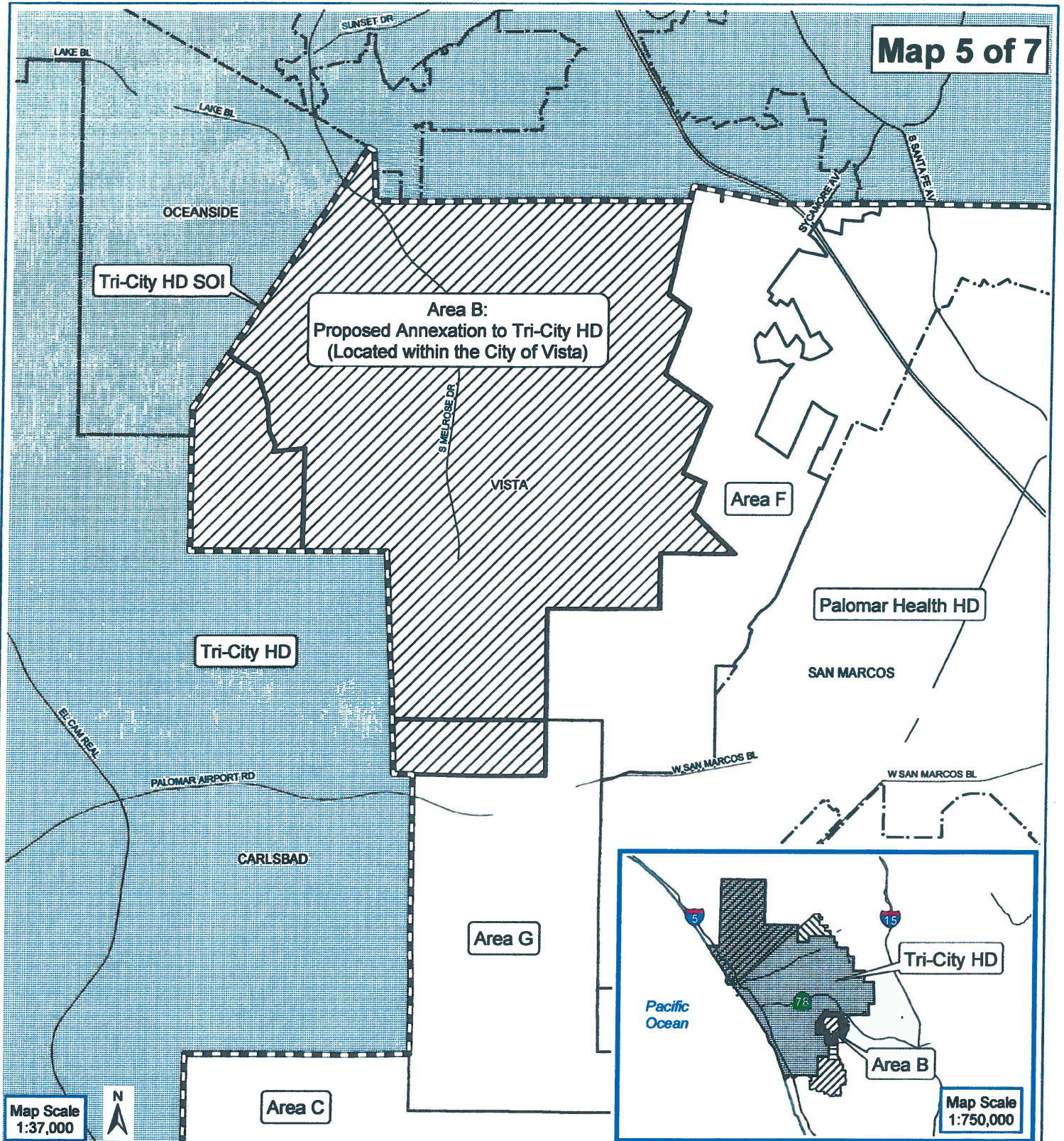
- Area E
- Tri-City HD
- Tri-City HD SOI

SOI = Sphere of Influence

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MAP 5: Tri-City HD/City of Vista Annexation (Shadowridge)

SA17-09
RO17-09

PROPOSED "TRI-CITY HEALTHCARE DISTRICT REORGANIZATION"

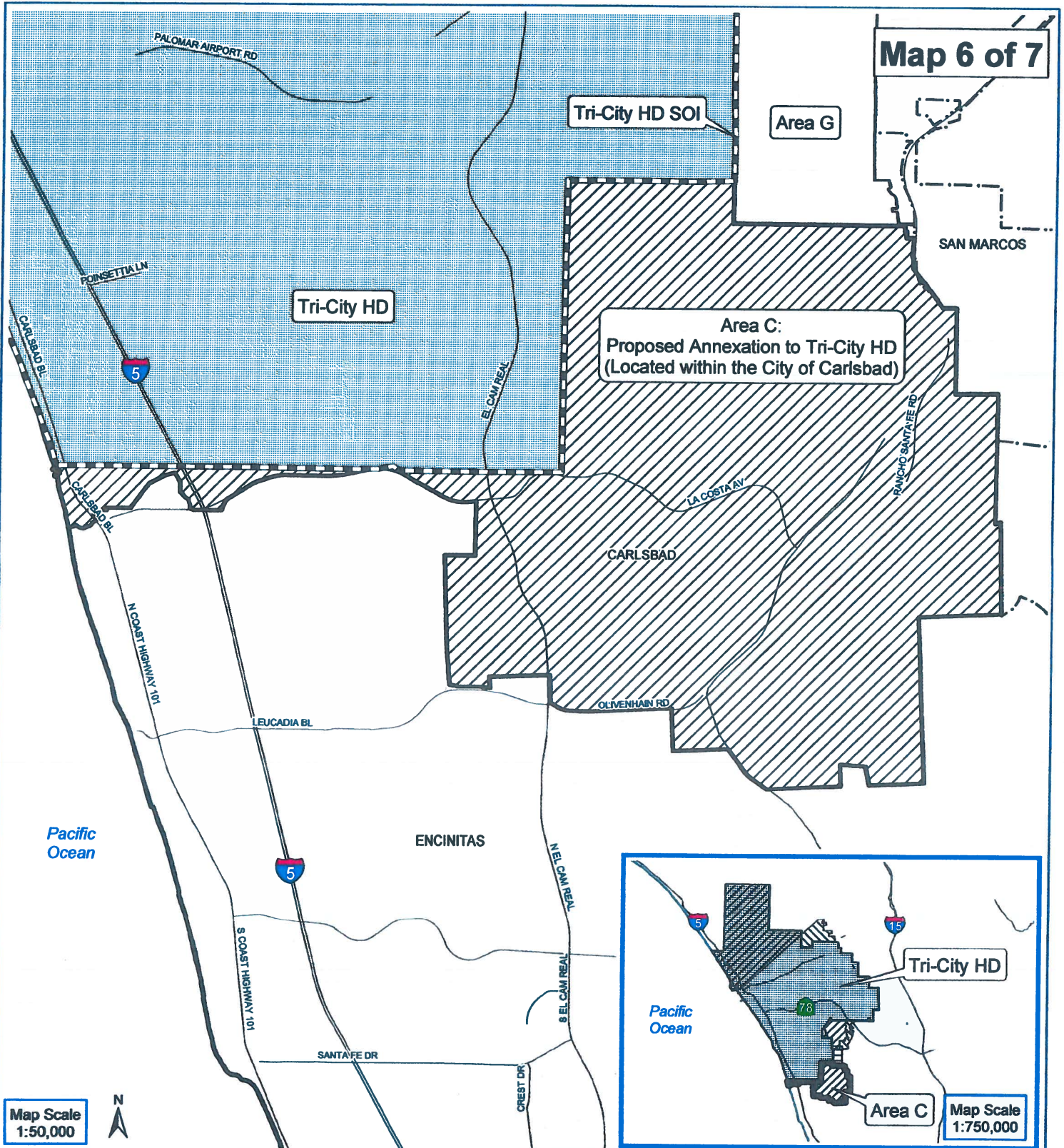
- Area B
- Tri-City HD
- Tri-City HD SOI

SOI = Sphere of Influence

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MAP 6: Tri-City HD/City of Carlsbad Annexation

SA17-09
RO17-09

PROPOSED "TRI-CITY HEALTHCARE DISTRICT REORGANIZATION"

- Area C
- Tri-City HD
- Tri-City HD SOI

SOI = Sphere of Influence

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**RECOMMENDED STATEMENT OF DETERMINATIONS
PROPOSED AMENDMENTS TO THE COTERMINOUS
SPHERE OF INFLUENCE FOR THE
TRI-CITY HEALTHCARE DISTRICT**

“Tri-City Healthcare District Reorganization” (SA17-09a)

The following statement of determinations is prepared pursuant to section 56425 of the Government Code for designation of the areas shown on the attached maps as amendments to the coterminous sphere of influence for the Tri-City Health Care District (HD). A written statement specifying the functions or classes of services provided by the Tri-City HD and establishing the nature, location, and extent of the functions or classes of District services is on file with LAFCO.

(1) The present and planned land uses in the area, including agricultural and open space lands.

The three proposed sphere of influence amendment areas (Areas B, C, and D) for the Tri-City HD include portions of the incorporated territory of the Cities of Carlsbad, Oceanside, and Vista as follows:

- Area B - totaling approximately 2,553-acres of combined City of Carlsbad and City of Vista incorporated territory
- Area C - totaling approximately 5,679-acres of City of Carlsbad incorporated territory
- Area D - totaling approximately 2,747.37-acres of City of Oceanside incorporated territory

Present and planned land uses within the three proposed amendment areas, including any agricultural and open space uses, are governed by the General Plan and land use designations of the respective City. No changes to the present or planned land uses within the proposal areas are associated with the proposed sphere of influence amendments.

(2) The present and probable need for public facilities and services in the area.

The three proposed sphere of influence amendment areas for the Tri-City HD include portions of the incorporated territory of the Cities of Carlsbad, Oceanside, and Vista. The three affected cities either directly provide public facilities and services within their respective incorporated boundaries or receive those facilities and services from existing special district service providers.

The proposed sphere of influence amendments and the associated “Tri-City Healthcare District Reorganization” involve changes to adopted spheres of influence and service areas of existing healthcare districts and are not anticipated to have an effect on the present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

On May 4, 2015, the San Diego LAFCO approved the *Five-Year Sphere of Influence and Service Review: San Diego County Health Care Services Municipal Service Review and Health Care District Sphere of Influence Review*, and the Commission affirmed the coterminous sphere of influence for the Tri-City HD. The Commission also designated local areas containing medically underserved or understaffed communities and areas of high poverty as *social or economic communities of interest* relevant to the HD; and designated these areas as LAFCO *Special Study Areas*. The Commission concluded that the Tri-City HD is adequately providing health care services within its service area and sphere, is accountable for the local community's service needs, and that the Tri-City HD hospital facilities have adequate capacities for patient needs.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The Commission has determined that social or economic communities of interest of relevance to Tri-City HD exist within local Medical Service Study Areas (MSSA) designated as a *Medically Underserved Area* and/or *Health Care Professional Shortage Area* by the California Office of Statewide Health Planning and Development (OSHPD); and within local areas identified with poverty levels above the regional average of 14.4% (SANDAG 2013). The MSSAs located adjacent to the Tri-City HD service area and sphere that contain existing social or economic communities of interest have been designated as *Special Study Areas* to encourage local health care service planning and identify inhabited areas to be considered for potential inclusion in subsequent sphere reviews.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The proposed "Tri-City Healthcare District Reorganization" includes three amendment areas for the Tri-City HD sphere of influence and does not involve an update to the Tri-City HD's adopted sphere. In addition, Tri-City HD is authorized to provide healthcare services, programs, and facilities and does not provide public facilities or services related to sewers, municipal/industrial water, or structural fire protection; therefore, the determination does not apply to the proposed Tri-City HD sphere amendments.

RECOMMENDED STATEMENT OF DETERMINATIONS
PROPOSED AMENDMENT TO THE COTERMINOUS
SPHERE OF INFLUENCE FOR THE
PALOMAR HEALTH HEALTHCARE DISTRICT

“Tri-City Healthcare District Reorganization” (SA17-09b)

The following statement of determinations is prepared pursuant to section 56425 of the Government Code for designation of the area shown on the attached map as an amendment to the coterminous sphere of influence for the Palomar Health HealthCare District (HD). A written statement specifying the functions or classes of services provided by the Palomar Health HD and establishing the nature, location, and extent of the functions or classes of District services is on file with LAFCO.

(1) The present and planned land uses in the area, including agricultural and open space lands.

The proposed sphere of influence amendment area (Area E) includes approximately 57.35-acres of City of San Marcos incorporated territory that is presently located within the sphere of influence and authorized service area of the Tri-City Healthcare District (HD). Present and planned land uses within the proposed amendment area, including any agricultural and open space uses, are governed by the General Plan and land use designations of the City of San Marcos. No changes to the present or planned land uses within the proposal area are associated with the proposed sphere of influence amendment.

(2) The present and probable need for public facilities and services in the area.

The proposed sphere of influence amendment area for the Palomar Health Healthcare District (HD) includes a portion of the incorporated territory of the City of San Marcos. The City of San Marcos and existing Special Districts serve and plan for the present and probable needs for public facilities and services within the City’s incorporated boundary.

The proposed sphere of influence amendment and the associated “Tri-City Healthcare District Reorganization” involve changes to adopted spheres of influence and service areas of existing healthcare districts and are not anticipated to have an effect on the present and probable need for public facilities and services in the area.

(3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

On May 4, 2015, the San Diego LAFCO approved the *Five-Year Sphere of Influence and Service Review: San Diego County Health Care Services Municipal Service Review and Health Care District Sphere of Influence Review*, and the Commission affirmed the coterminous sphere of influence for the Palomar Health HD. The Commission also designated local areas containing medically underserved or understaffed communities and areas of high poverty as *social or*

economic communities of interest relevant to the HD, and designated these areas as LAFCO *Special Study Areas*. The Commission concluded that the Palomar Health HD is adequately providing health care services within its service area and sphere, is accountable for the local community's service needs, and that the Palomar Health HD hospital facilities have adequate capacities for patient needs.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The Commission has determined that social or economic communities of interest of relevance to Palomar Health HD exist within local Medical Service Study Areas (MSSA) designated as a *Medically Underserved Area* and/or *Health Care Professional Shortage Area* by the California Office of Statewide Health Planning and Development (OSHPD); and within local areas identified with poverty levels above the regional average of 14.4% (SANDAG 2013). The MSSAs located adjacent to the Palomar Health HD service area and sphere that contain existing social or economic communities of interest have been designated as LAFCO *Special Study Areas* to encourage local health care service planning and identify inhabited areas to be considered for potential inclusion in subsequent sphere reviews.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The proposed "Tri-City Healthcare District Reorganization" includes one amendment area for the Palomar Health HD sphere of influence and does not involve an update to the Palomar Health HD's adopted sphere. In addition, Palomar Health HD is authorized to provide healthcare services, programs, and facilities and does not provide public facilities or services related to sewers, municipal/industrial water, or structural fire protection; therefore, the determination does not apply to the proposed Palomar Health HD sphere amendment.

MAPS AND LEGAL DESCRIPTIONS

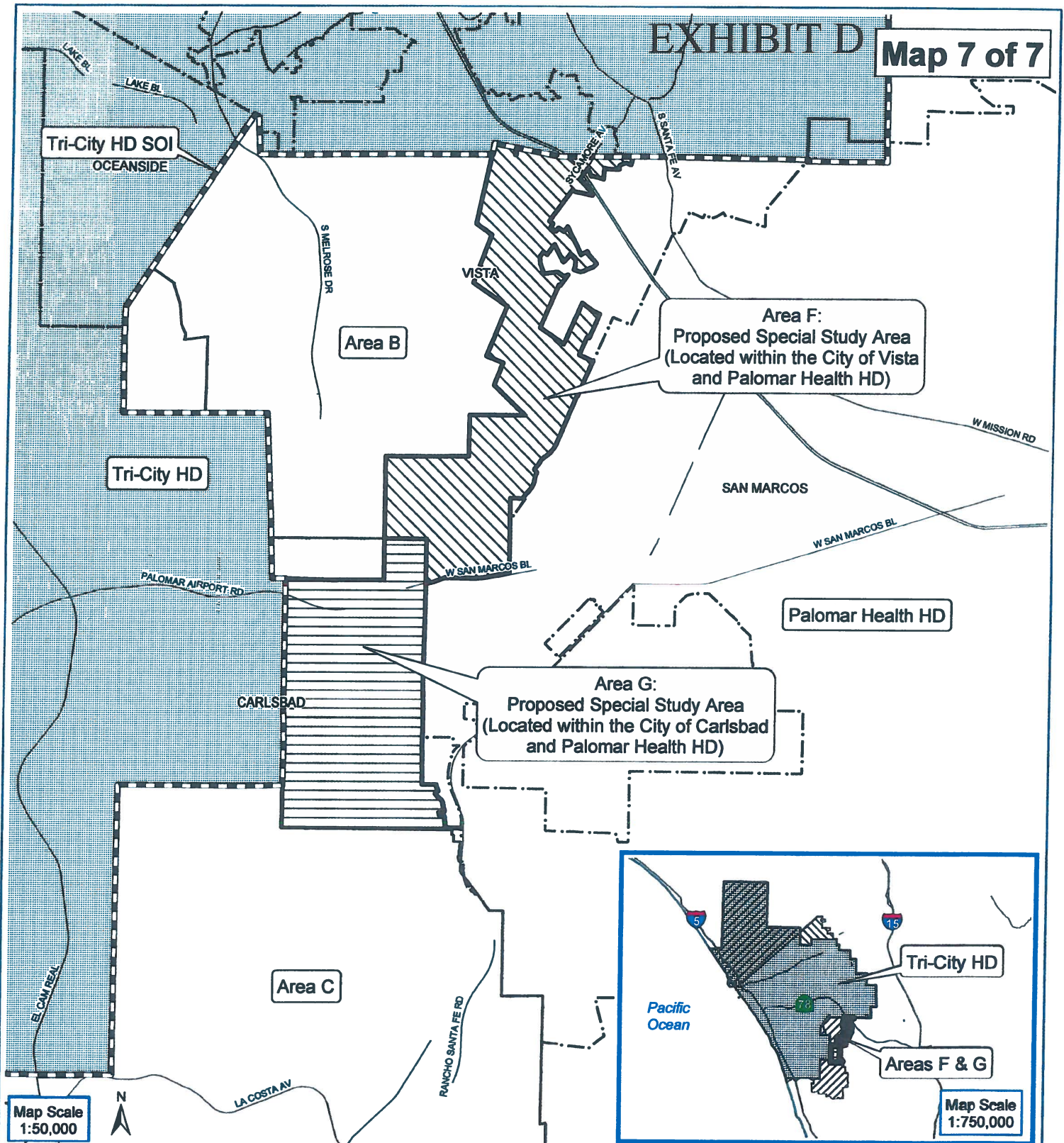
“TRI-CITY HEALTHCARE DISTRICT REORGANIZATION”

(SA17-09a&b; RO17-09)

The proposed “Tri-City Healthcare District Reorganization” involves jurisdictional changes affecting five distinct proposal areas as shown on Exhibit A. All five proposal areas are located within and/or adjacent to Tri-City HD’s sphere of influence and are summarized below.

- Area A (Camp Pendleton) - Detachment of approximately 25,600.44-acres of Marine Corps Base Camp Pendleton territory from the Tri-City HD
- Area B (Shadowridge) – Annexation of approximately 2,552.79-acres of City of Vista and City of Carlsbad incorporated territory to the Tri-City HD
- Area C (Carlsbad) – Annexation of approximately 5,679.416-acres of City of Carlsbad incorporated territory to the Tri-City HD
- Area D (Oceanside) – Detachment of approximately 2,747.37-acres of City of Oceanside incorporated territory from the Fallbrook Regional HD with a concurrent annexation to the Tri-City HD
- Area E (San Marcos) – Detachment of approximately 57.35-acres of City of San Marcos incorporated territory from the Tri-City HD with a concurrent annexation to Palomar Health HD

Maps and legal descriptions for the proposal areas are on file with San Diego LAFCO and may be examined during regular office hours.



MAP 7: Special Study Areas (Areas F and G)

SA17-09
RO17-09

PROPOSED "TRI-CITY HEALTHCARE DISTRICT REORGANIZATION"

-  Area F
-  Area G
-  Tri-City HD
-  Tri-City HD SOI
- SOI = Sphere of Influence

