

**Draft Resolution**

111 Santa Rosa Avenue, Suite 240  
Santa Rosa, CA 95404  
August 5, 2020

**Resolution of the Local Agency Formation Commission of the County of Sonoma, State of California, Making Findings and Determinations, Determining Exemption from the California Environmental Quality Act, Approving A Change of Organization of Territory Consisting of Dissolution of the Palm Drive Health Care District and Assignment of the County of Sonoma as Successor Agency, and Ordering Same Without Conducting Protest Proceedings or an Election (File No. 2020-04).**

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**RESOLVED**, that the Local Agency Formation Commission of the County of Sonoma (“the Commission”) hereby finds and determines as follows:

**1. Proposal and Procedural History**

1.1. The Palm Drive Health Care District (“PDHCD”, “the District”, or “the Applicant”) filed Application No. 2020-14 (“the Application”) with the Executive Officer of the Commission (“the Executive Officer”), pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3 (commencing with Section 56000) of Title 5 of the Government Code (“the Cortese-Knox-Hertzberg Act”), proposing a change of organization consisting of dissolution of the District (“the Proposal”). The territory that is the subject of the Proposal is generally located in the western portion of Sonoma County, including the City of Sebastopol and surrounding unincorporated areas (“the Affected Territory”). The Application was submitted to the Executive Officer pursuant to the Cortese-Knox-Hertzberg Act. The Executive Officer accepted the Application for filing, set the Proposal for hearing by the Commission, and provided notice thereof as provided in the Cortese-Knox-Hertzberg Act.

1.2. The Commission determined that the Proposal was exempt from the California Environmental Quality Act (“CEQA”) under State CEQA Guidelines Sections 15320 (Changes in the Organization of Local Agencies) and 15061(b)(3) (“Common Sense” exemption).

1.3. The Executive Officer prepared a report on the Proposal, including his recommendations thereon (“the Executive Officer’s Report”). Upon completion, the Executive Officer furnished copies of the Executive Officer’s Report to all persons entitled to copies under the Cortese-Knox-Hertzberg Act.

1.4. The Commission conducted a duly noticed public hearing on the Proposal on August 5, 2020. At the hearing, the Commission heard and received all relevant oral and written testimony and evidence presented or filed and considered the Executive Officer's Report and the Proposal. All interested persons were given the opportunity to hear and be heard. At the conclusion of public testimony, the Commission closed the public hearing and considered the Proposal. At the conclusion of its deliberations, the Commission voted to approve the Proposal, as set forth herein.

1.5. The Commission has reviewed and considered this resolution and hereby finds that it accurately sets forth the intentions of the Commission with respect to the Proposal.

## **2. CEQA Compliance**

2.1. The Commission finds and determines that the Proposal is exempt from CEQA under state CEQA Guidelines Section 15320 (Changes in the Organization of Local Agencies) and Section 15061(b)(3) ("Common Sense" exemption). The facts and circumstances supporting the Commission's conclusion are set forth below.

2.2. The District was formed in 2000 to provide emergency, acute care and other medical services. In 2019 the District completed a sale of their medical facility in the City of Sebastopol and ceased provision of services.

2.3. The County of Sonoma, which will act as the successor agency to the District, will be solely charged with winding up the affairs of the District, primarily through continued collection of authorized taxes and settlement of short- and long-term debt obligations. The County will not be providing services as the successor agency; thus, no physical changes to the environment are anticipated, planned, or reasonably foreseeable as a result of the Proposal.

2.4. State CEQA Guidelines Section 15320 exempts from CEQA changes of organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. No change in use or area is anticipated.

2.5. State CEQA Guidelines Section 15061(b)(3) exempts from CEQA projects which have no potential for causing a significant effect on the environment. The cessation of the provision of services by the District has already occurred; the County of Sonoma acting as the successor agency will not provide services. There is certainty that the proposed change in organization will not have a significant effect on the environment.

2.6. The Commission has considered the potential environmental effects of the Proposal prior to reaching its decision on the Proposal. The Commission finds that, in doing so, it has fully discharged its responsibilities under CEQA for the Proposal.

### **3. Cortese-Knox-Hertzberg Act Compliance**

3.1 The Commission makes the following findings and determinations with respect to the dissolution of the District:

(a) The District was formed in 2000 to provide emergency, acute care and other medical services in the western portion of Sonoma County, primarily through the operation of a hospital in the City of Sebastopol. The District encompassed the City of Sebastopol and surrounding territory within unincorporated Sonoma County. Two areas were subsequently detached from the District through actions of the Commission, including the Russian River and the Bodega Bay areas.

(b) In May 2019 the District completed a sale of the medical facility in Sebastopol, and ceased provision of services. In 2020, the board of directors of the district unanimously approved a resolution of application to the Commission seeking a change of organization consisting of dissolution of the District and assignment of the County of Sonoma as the successor agency.

(c) The purpose of the Proposal is dissolution of the District and assumption of its responsibilities by the County as the successor agency. The County will be solely and exclusively charged with winding up the affairs of the District. The County and its officers and legislative body will have the same powers and duties of the dissolved District, and all of the following additional powers and duties:

- i. To exchange, sell, or otherwise dispose of all property, real and personal, of the dissolved district.
- ii. To compromise and settle claims of every kind and nature.
- iii. To sue or be sued in the same manner and to the same extent as the dissolved district and the officers and legislative body of the dissolved district.

3.2 Pursuant to CKH § 57102(a)(3), the Commission finds that the board of directors of the District have, by unanimous resolution enacted on May 12, 2020, consented to the dissolution of the District.

Pursuant to CKH § 57102(a)(4), the Commission has authorized, pursuant to subdivision (a) of § 57077.1, the dissolution of the District without an election.

Therefore, pursuant to CKH § 57102(b) the Commission may order the dissolution of the district without election.

Dissolution is consistent with a prior action of the Commission, and therefore pursuant to CKH § 57077.1(c)(1), the Commission may order the dissolution of the district without protest proceedings.

3.3 Based on the foregoing findings and determinations and the record of these proceedings, the Commission finds and determines that the Proposal is consistent with the intent of the Cortese-Knox-Hertzberg Act and the purpose of the Commission, as expressed in Government Code sections 56001 and 56301. The Commission further finds, therefore, that it is appropriate to approve the Proposal.

**NOW, THEREFORE**, based on the foregoing findings and determinations and the record of these proceedings, the Commission hereby declares and orders as follows:

1. The foregoing findings and determinations are true and correct, are supported by substantial evidence in the record, and are adopted as hereinabove set forth.
2. The Proposal is exempt from provisions of CEQA, under Sections 15320 and 15061(b)(3) of the State CEQA Guidelines. The Executive Officer is directed to file a notice of exemption in accordance with CEQA and the State CEQA Guidelines.
3. The Proposal is approved, subject to the following terms and conditions:
  - a. The successor agency of the Palm Drive Health Care District shall be the County of Sonoma. The County shall be the successor in interest to all rights, duties, and obligations of Palm Drive Health Care District and the provisions of Government Code sections 57450 et seq. applicable to successor agencies to dissolved agencies apply to Sonoma County.
  - b. Any and all monies and funds, including cash on hand and monies due but uncollected, any and all liabilities and obligations, any and all property, real or personal, any and all records, and any and all other resources of the Palm Drive Health Care District shall be transferred to the County of Sonoma.
  - c. As required by CKH § 57458, the County of Sonoma, acting as the successor agency, shall continue to levy and collect the ad valorem tax approved by District voters on April 11, 2000 (referred to as "G.O. Bond Tax") and the parcel tax approved by District voters on November 2, 2004 (referred to as "Parcel Tax") until payment for all principal, interest and any other amounts owing on account of the obligations payable from such taxes is made. These obligations include, but are not limited to payment of bankruptcy settlement obligations and any future obligations of the District that may result from legal actions.

- d. The County of Sonoma shall be entitled to recover any direct or indirect costs it incurs in administering the requirements of a successor agency specified in Part 5, Chapter 6 of the Cortese-Knox-Hertzberg Act (“Chapter 6”). The costs will be considered an obligation of the dissolved district, and will be paid from any source authorized by Chapter 6 to pay obligations of a dissolved district
  - e. The effective date for the Proposal shall be the date of the execution of the certificate of completion.
4. The Proposal is assigned the following short-form designation: Palm Drive Health Care District Dissolution (County of Sonoma).
5. The Commission has determined that this proposal can be exempted from protest proceeding and election requirements, and orders that the Proposal be approved and not subject to those requirements.
6. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by law.
7. The Clerk of the Commission is designated as the custodian of the documents and other materials that constitute the record of the proceedings upon which the Commission’s decision herein is based. These documents may be found at the office of the Clerk of the Commission, 111 Santa Rosa Avenue, Suite 240, Santa Rosa, CA 95404.

**THE FOREGOING RESOLUTION** was introduced at a regular meeting of the Commission on the 5th day of August 2020, and ordered adopted by the following vote:

Commissioners:

- AYES:
- NOES:
- ABSTAIN:

WHEREUPON, the Chairman declared the foregoing resolution adopted, and

SO ORDERED

BY: \_\_\_\_\_

Mark Bramfitt, Executive Officer

The within instrument is a correct copy of the original on file in this office.

ATTEST:

BY: \_\_\_\_\_

Clerk