

IMPARTIAL ANALYSIS OF MEASURE N

Under the California Constitution and relevant California Health and Safety Code provisions, hospital districts may issue bonds if approved by at least 2/3 (66.67%) of voters within the boundaries of that district. These bonds are sold to the public and constitute a debt of the district. The principal and interest on the bonds are repaid by an annual property tax levied on real property within the district. This is known as an “*ad valorem* tax” and is calculated based on the current assessed value of each property.

Measure N was placed on the ballot by the Board of Directors (“the Board”) of the Pajaro Valley Health Care District (the “District”). The Board asks voters to authorize the sale of general obligation bonds in the maximum principal amount of \$116,000,000. These bonds would generate approximately \$6.8 million annually for the District.

If all the bonds are issued and sold, the best estimate of the total debt service on the bonds will be approximately \$230.1 million, including principal and interest.

At the time of filing Measure N, the District has provided the best estimate of the average annual tax rate to be levied at approximately \$24 per \$100,000 of assessed property value per year through fiscal years 2056-57.

If approved by voters, the District may use the bond funds for the specific purposes of property acquisition, maintenance, construction, and alterations, as well as for other limited purposes as stated in the law.

The District has submitted a Scope of Projects and illustrative Project List. Voters are referred to the full text of the measure for the complete information. The types of projects the District may fund with the bond proceeds include, but are not limited to:

- Expanding and renovating the emergency room to improve services and increase capacity;
- Upgrading imaging systems, including X-rays, MRI, and CT scanners;
- Purchasing the Watsonville Community Hospital property site in lieu of paying ongoing rent;
- Replacing and repairing aging and deteriorating plumbing, heating, ventilation, and air conditioning systems; and
- Modernizing outdated healthcare facilities, including restrooms.

The District will be required to follow certain accountability provisions if the measure is approved by voters. This includes the creation of a special account into which the bond proceeds will be deposited as well as the submission of an annual report. The report will contain the amount of funds collected and expended as well as the status of any projects funded by the measure. The District also proposes to establish an Independent Citizens’ Oversight Committee to ensure that all funds are spent only on the specific purposes allowed by law.

A “yes” vote on Measure N is a vote to authorize the issuance of bonds in the amount of \$116,000,000 to be financed by an annual property tax.

A “no” vote on Measure N is a vote against the issuance of the proposed bonds and assessment of the annual property tax.

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