

THE PAJARO VALLEY HEALTHCARE DISTRICT PROJECT

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Bankruptcy Judge Approves Sale of Watsonville Community Hospital to The Pajaro Valley Healthcare District Project

(San Jose, CA) – U.S. Bankruptcy Judge M. Elaine Hammond for the Northern District of California today approved the sale of Watsonville Community Hospital (WCH) to the Pajaro Valley Healthcare District Project (PVHDP). Once signed, a sale order approves the Asset Purchase Agreement between the parties and is based on Watsonville Hospital Corporation and its debtor affiliates' recommendation. PVHDP will have until August 31, 2022 to close on the sale.

“We envisioned a future in which Watsonville Community Hospital is led by the community and purposed for the community through close community connections, transparency in governance and financial accountability,” said Mimi Hall, PVHDP board member and spokesperson. “While we still have more work to do, the outcome of the sale hearing means the hospital will stay open through this transition and the vision that has guided us for many months is within reach. PVHDP will build on today’s success by turning our focus to the ongoing sustainability of the hospital and working with the community to establish our new healthcare district.”

PVHDP is continuing to raise funding for the purchase and initial operating costs for WCH. Through the assistance of State Sen. John Laird and Assemblymember Robert Rivas, PVHDP anticipates receiving up to \$20 million from the State of California as part of the Governor’s 2022-2023 budget process. In addition, PVHDP has also secured commitments from the County of Santa Cruz, the County of Monterey, the Central California Alliance for Health, the Community Health Trust of the Pajaro Valley, the City of Watsonville, Kaiser Foundation Health Plan, and Dominican Hospital/CommonSpirit.

"On behalf of the Hospital, we welcome partnering with PVHDP as it shares the same goal of everyone who works here - to provide exceptional quality healthcare services to all who walk through our doors," said Steven Salyer, Watsonville Community Hospital CEO. “With a community-led hospital, we believe our staff, providers and community will have a sustainable facility for years to come.”

In addition to the fundraising campaign, the Santa Cruz County Board of Supervisors, on behalf of the Pajaro Valley Healthcare District, is seeking applicants from community members interested in being appointed to the District’s inaugural Board of Directors. The five positions are voluntary. While initial board terms will be appointed, future terms will be subject to district-based public elections. **The application period is currently open and applications are due by March 4, 2022.** Go to <https://tinyurl.com/PVHCDBoard> for the District Board Application.