

RESPONSE FORM: 2022-2023 Marin Civil Grand Jury Report

Report Title: Build More ADUs - An Rx to Increase Marin's Housing Supply

Respondent/Agency Name: Novato Sanitary District

Submitter Name: Jean Mariani

Title: Board President

FINDINGS

- Agree with the findings numbered: N/A
- Disagree *partially* with the findings numbered: F7
- Disagree *wholly* with the findings numbered: N/A

(Attach a **statement** specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

RECOMMENDATIONS

- Recommendations numbered R4 have been implemented.
(Attach a **summary** describing the implemented actions.)
- Recommendations numbered N/A have not yet been implemented, but will be implemented in the future.
(Attach a **timeframe** for the implementation.)
- Recommendations numbered N/A require further analysis.
(Attach an **explanation** and the scope and parameters of an analysis or study, and a **timeframe** for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This **timeframe shall not exceed six months** from the date of publication of the grand jury report.)
- Recommendations numbered N/A will not be implemented because they are not warranted or are not reasonable.
(Attach an **explanation**.)

Date: 08/15/2023

Signed: Jean M Mariani

Number of pages attached: 3 (Response Letter)



NOVATO SANITARY DISTRICT

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August 15, 2023

The Honorable Judge James Chou
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988
Via PDF file to: departmentb@marin.courts.ca.gov

AND

Pat Shepherd, Foreperson
Marin County Civil Grand Jury
3501 Civic Center Drive, Room #275
San Rafael, CA 94903
Via PDF file to: grandjury@marincounty.org

Re: Response to Finding F7, and Recommendation R4, Grand Jury Report, "*Build More ADUs - An Rx to Increase Marin's Housing Supply*" dated June 15, 2023.

The Novato Sanitary District (or "District"), as a utility providing sanitary services in and about Novato, California, provides this response to Finding F7, and Recommendation R4 of the Grand Jury Report named above (the "Report") in compliance with sections 933 and 933.05 the California Penal Code. The District Board of Directors met and discussed the Report in the open session of its August 14, 2023 regular meeting, which was held in accordance with the notice, agenda, and open meeting requirements of the Ralph M. Brown Act and other applicable law. Following its discussion, the Board directed its President to transmit this response letter, with attachments, to the Grand Jury. Each applicable finding and recommendation of the Report is listed separately, below, with the corresponding response *in italics*.

Responses to Findings

Finding F7. Impact, connection, and capacity fees vary considerably throughout the County and such fees can be a disincentive to homeowners considering ADU development.

Response to Finding F7: Pursuant to Penal Code Section 933.05, subdivision (a)(2), the District disagrees partially with the finding.

The District agrees that "Impact, connection, and capacity fees vary considerably throughout the County...". This finding is consistent with the considerable variety of the public agencies and fees that were considered by the Grand Jury in developing the Report. These agencies, which were formed under distinct statutes, provide a variety of public services and facilities within the County that are funded by a variety of revenue sources. Even amongst agencies with similar enterprise services, financial needs and

fees will vary due to factors including, without limitation, geography, topography, size of population served, service area characteristics, regulatory permits and associated requirements, age of facilities, and anticipated growth within the service area. The feasibility of waiving a fee will also vary. In some cases, the effect of waiving the fee in question on the agency's budget may be negligible, or the revenue lost by waiving the fee may be replaced by an alternate source. In other cases, in light of the core public purpose and responsibilities of the agency, the public interest is best served by imposing the lawful fee.

The District disagrees that "...such fees can be a disincentive to homeowners considering ADU development". The District has not experienced anecdotal or fact-evidenced information regarding homeowner disincentives to build ADUs in its service area. For this reason, the District cannot agree with this component of the finding.

Responses to Recommendations

Recommendation R4. By December 1, 2023, begin a feasibility assessment of waiving or significantly lowering impact and connection fees for units smaller than 750 square feet.

Response to Recommendation R4: Pursuant to Penal Code Section 933.05, subdivision (b)(1), the District has implemented this recommendation.

From an ADU connection fee perspective, the District recognizes two broad categories:

1. *No Connection Fees Required:* *Where the local land use agency (City of Novato or Marin County) ministerially approves an application for an ADU that meets the criteria of Government Code Section 65852.2, subdivision (e)(1)(A), the District will not require a new or separate connection and will not impose a Connection Fee. Accordingly, the District's current policies waive connection fees for Junior ADUs (JADUs) and the following ADUs when ministerially approved by the land use agency:*
 - *An ADU within the existing space of a single-family dwelling.*
 - *An ADU within the existing space of an accessory structure (which may include an expansion of not more than 150 square feet beyond the same physical dimensions as the existing accessory structure, provided that the expansion shall be limited to accommodating ingress and egress).*
 - *An ADU within the proposed space of a new single-family dwelling.*

Again, these three types of ADUs, which may include a JADU, will not be subject to a Connection Fee.

2. *Reduced or Proportional Connection Fees Required:* *ADUs that do not meet the criteria of Government Code Section 65852.2, subdivision (e)(1)(A) may be required to construct a separate connection and will be charged a Connection Fee, as authorized by Government Code Section 65852.2, subdivision (f)(5). This typically includes:*
 - *Manufactured ADUs that are delivered to a property and,*
 - *ADUs within new structures.*

In these cases, the Connection Fee is calculated based on the square footage proportional to the maximum size allowable for an ADU, which is 1,200 square feet. Any structure greater than 1,200 square feet is considered a Single-Family Unit (SFU) (or interchangeably, single family Equivalent Dwelling Unit or EDU), and will be subject to the full Connection Fee, which is set by the District Board of Directors and updated each year based on its Wastewater Capacity Fee Study (2016) prepared by Bartle-Wells Associates, an independent public finance advisory firm. The Connection Fee for ADUs

smaller than 1,200 square feet will be the proportion of the ADU size to 1,200 square feet applied against the amount of the full Connection Fee for 1 SFU. For example, the Connection Fee for a proposed 600 square foot ADU would be calculated at 600/1200 or 0.5 SFU. These requirements are addressed in District Policy No. 3513: Connection Fees for Residential Accessory Dwelling Units.

For more information, and to further examine the basis and details of its ADU policies and procedures, we encourage you to visit the District's ADU-specific webpage (and related links) on its website at:

<https://novatosan.com/doing-business/accessory-dwelling-units/>

In closing, the District acknowledges and appreciates the Grand Jury's hard work and efforts in preparing this Report. Please feel welcome to contact me at jean.mariani@novatosan.com, or (415)892-1694; or the District's General Manager-Chief Engineer Sandeep Karkal at sandeepk@novatosan.com or (415) 892-1694, if you have any questions or require additional information.

Very truly yours,



Jean Mariani

President, Board of Directors

Attachments:

1. Completed "Response Form: 2022-2023 Marin Civil Grand Jury Report"