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August 27, 2026
California Department of Housing and Community Development
Housing Accountability Unit
Via HAU Portal

Re: Request for Enforcement Follow-Up - Ojai Valley Sanitary District ADU Sewer Capacity Fees / Ordinance OVSD-82

Dear Housing Accountability Unit:

I am submitting this request for enforcement follow-up regarding the Ojai Valley Sanitary District's continued use of Ordinance OVSD-82 and related implementation practices to impose ADU sewer capacity charges where no new, separate, or direct connection to the utility was required or mandated.

This matter is ready for HCD enforcement follow-up because HCD has already provided written technical assistance to OVSD, has already clarified its interpretation as applied to private-lateral ADU connections, and OVSD has not adopted binding corrective action.

I. HCD Has Already Addressed the Legal Issue

HCD issued a Technical Assistance Letter to OVSD on November 23, 2020 addressing ADU connection fees and capacity charges. The letter did not merely address proportionality. It addressed the threshold question of whether a connection fee or capacity charge may be imposed at all. HCD stated:

“ADUs for which no separate ‘connection’ may be required and no connection fee or capacity charge may be imposed.”

HCD also warned OVSD:

“The District’s regulations and current fee structure is not legally sound, subjects the District to significant legal risk, is serving as a significant impediment to housing in this current housing crisis, and must be modified to conform to statute.”

HCD has since reiterated the same core position. HCD has stated that a sewer district must mandate a direct connection before imposing a capacity fee on an ADU. HCD has also clarified that, where no new connection is required, the relevant ADU-law provision applies to both connection fees and capacity fees.

On June 6, 2026, HCD informed OVSD General Counsel Dennis McNulty that charging fees where an ADU connects to an existing private lateral is not consistent with State ADU Law because that is not a direct connection to the utility, but a private line.

Despite this written record, OVSD has continued to treat the matter as unresolved unless HCD or another enforcement authority compels action.

II. OVSD Has Acknowledged the Practice and the Scope of the Problem

At OVSD’s July 27, 2026 Board meeting, District Counsel described the issue as whether OVSD may impose capacity charges when a standalone ADU connects to an existing private lateral rather than directly to the District’s main line. Counsel also stated that OVSD had been charging capacity charges for ADUs tied into private laterals under OVSD-82. The Board referred the issue to the Ordinance Committee.

At OVSD’s August 20, 2026 Ordinance/Public Relations/Newsletter/Webpage Committee meeting, District staff discussed that, in one recent group of approximately 80 ADUs, only one connected directly to the District main line and the remaining ADUs connected to private laterals. OVSD also confirmed that capacity charges had been imposed on those ADUs.

The Committee further discussed that prior capacity-charge collections could exceed one million dollars depending on the lookback period. The Committee discussed recommending suspension of the disputed application of OVSD-82 pending further review, but no final Board action or binding corrective action has been adopted.

III. This Is No Longer a Request for Interpretation

This request does not ask HCD to decide an individual homeowner dispute, inspect a particular sewer lateral, or adjudicate any individual refund claim. The narrow enforcement issue is OVSD's continued implementation of a district-wide fee practice after HCD has stated that a private-lateral ADU connection is not a direct connection to the utility for purposes of State ADU Law.

Nor should OVSD's position that HCD correspondence is "not binding" end the matter. HCD is the State housing agency charged with ADU-law technical assistance and enforcement review. OVSD has now received both the 2020 Technical Assistance Letter and later written clarification on the private-lateral issue. Continuing to collect or enforce disputed private-lateral capacity charges after that written record creates an ongoing compliance problem.

IV. Requested HCD Action

I respectfully request that HCD move this matter to the next appropriate enforcement step, including a formal corrective-action letter, a Notice of Violation if warranted, and referral to the California Department of Justice if OVSD does not promptly comply.

Specifically, I request that HCD direct OVSD to:

1. Immediately suspend collection, enforcement, and future imposition of ADU sewer capacity charges where the ADU connects through an existing private lateral and no new, separate, or direct connection to the utility was required or mandated.
2. Suspend further collection of unpaid deferred-payment installments and tax-roll collections based on disputed private-lateral ADU capacity charges while the underlying charges are reviewed.
3. Revise or clarify Ordinance OVSD-82 and its implementation practices so that OVSD does not use a broad local definition of "connection" to impose ADU capacity charges where State ADU Law does not authorize them.
4. Identify all ADU parcels assessed sewer capacity charges under OVSD-82 or related predecessor practices, including whether each ADU required a direct connection to the District's sewer main or instead connected through an existing private lateral.
5. Review prior ADU capacity-fee assessments imposed under the contrary interpretation, including paid charges, deferred-payment agreements, charges placed on property tax rolls, and charges imposed after OVSD received HCD's November 23, 2020 Technical Assistance Letter.
6. Publicly report its corrective-action plan, including how OVSD will apply Government Code section 66311.5(e) going forward.
7. Provide direct notice to affected ADU homeowners rather than relying only on website postings or general agenda notices.

V. Retroactive Review Should Not Be Treated as Unavailable

OVSD-82 itself recognized retroactive application and refund authority in the ADU context. At the August 20, 2026 Committee meeting, OVSD staff also stated that, after the 2020 Technical Assistance Letter, OVSD retroactively applied ADU reimbursements back to 2016. OVSD should therefore not treat retroactive review, refund, credit, suspension of unpaid installments, or correction of tax-roll collections as unavailable or outside its authority.

The practical problem is that OVSD appears unwilling to make a binding compliance decision unless HCD escalates the matter. Homeowners are still facing disputed charges, deferred-payment obligations, and tax-roll collections based on a fee practice HCD has already stated is inconsistent with State ADU Law.

VI. Supporting Attachments

I am submitting the following supporting records:

Attachment 1 - HCD November 23, 2020 Technical Assistance Letter to OVSD

HCD technical-assistance letter addressing ADU connection fees and capacity charges, including HCD's warning that OVSD's regulations and fee structure were not legally sound and had to conform to State ADU Law.

Attachment 2 - HCD June 6, 2026 Email to OVSD Counsel

HCD's written determination to OVSD counsel that charging fees where an ADU connects to an existing private lateral is not consistent with State ADU Law because the connection is not a direct connection to the utility, but a private line.

Attachment 3 - HCD July 3, 2026 Position-Unchanged Correspondence

HCD correspondence confirming that HCD had not changed its stance and asking what additional review or comment was being requested.

Attachment 4 - HCD July 15, 2026 No-New-Connection Correspondence

HCD correspondence stating that if there is no new connection required, then no connection fee should be charged.

Attachment 5 - HCD July 15, 2026 Both-Fee-Types Correspondence

HCD correspondence confirming that the relevant ADU-law provision speaks to both capacity fees and connection fees.

Attachment 6 - OVSD July 27, 2026 Board Item 19 Memorandum

District Counsel memorandum presented to the OVSD Board describing HCD's interpretation of Government Code section 66311.5(e), OVSD's practice under OVSD-82, and the private-lateral capacity-fee issue.

Attachment 7 - July 27, 2026 OVSD Board Meeting Transcript

Cleaned non-certified transcript excerpt showing OVSD's public discussion of HCD's position, OVSD's private-lateral charging practice, public comment, and referral to the Ordinance Committee.

Attachment 8 - August 20, 2026 OVSD Ordinance Committee Transcript

Cleaned non-certified transcript excerpt showing OVSD's discussion of private-lateral ADU connections, prior collections, refund exposure, affected homeowners, and possible suspension of enforcement.

Attachment 9 - August 20, 2026 Supplemental Written Comment

Written comment submitted for the Ordinance Committee record requesting suspension of disputed charges and review of prior assessments.

Additional homeowner-specific invoices, deferred-payment agreements, property-tax collection records, declarations, and OVSD ordinance materials can be provided upon request.

HCD has already provided technical assistance. OVSD has not conformed its practice. I respectfully request that HCD proceed to enforcement follow-up and require OVSD to correct its current practice, suspend disputed collections, review prior assessments, and provide a public corrective-action plan.

Thank you for your review.

Respectfully submitted,

Ric Vane

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