STATE OF CALIFORNIA – CALIFORNIA HOUSING AND HOMELESSNESS AGENCY GAVIN NEWSOM, *Governor*

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November 2, 2026

Dennis McNulty, General Counsel
Ojai Valley Sanitary District
1071 Tico Road
Ojai, CA 93023

Dear Dennis McNulty:

RE: Ojai Valley Sanitary District Accessory Dwelling Unit (ADU) – Connection, Capacity, and Service Charges under State ADU Law (Gov. Code, §§ 66310–66342) – Letter of Technical Assistance

This letter provides technical assistance to the Ojai Valley Sanitary District (OVSD) regarding the application and assessment of fees for ADUs built within OVSD's jurisdiction.

Background

The California Department of Housing and Community Development (HCD) has received several complaints asking whether OVSD properly assesses fees on ADUs pursuant to Government Code section 66311.5, subdivision (e). OVSD also reached out directly to HCD for technical assistance on the same question.

Analysis

Previously, there was some confusion about the fees OVSD charges and the requirements of the statute. This letter supersedes HCD's prior informal guidance on this topic.

Government Code section 66311.5, subdivision (e) states, "For an accessory dwelling unit that is not described in paragraph (1) of subdivision (a) of Section 66323, a local agency, special district, or water corporation may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit … upon the water or sewer system."

First, the statute authorizes two distinct fees. Connection fees cover the cost of creating a connection between OVSD's main sewer line and the separate line that serves the ADU. Capacity charges reflect the additional burden on the entire system of adding additional toilets, sinks, and showers in the ADU.

Second, the statute allows, but does not require, OVSD to "require a new or separate utility connection directly between the [ADU] and the utility." The alternative to a direct connection between the ADU and the utility would be an "indirect" connection, where the ADU ties into the existing private sewer line that serves the primary dwelling, which then connect to OVSD's main line.

A connection fee is appropriate when there is a separate, direct connection between the ADU and the sewer system. The connection fee covers the cost of tying the line serving the ADU into OVSD's main line. When the ADU's line instead ties into the existing private line and the connection to OVSD's main line is indirect, connection fees are not appropriate, as no new connection to OVSD's main line is being created. A capacity charge, however, is appropriate regardless of whether the connection between the ADU and OVSD's main line is direct or indirect. In either case, the ADU is adding new toilets, sinks, and showers, which will increase the burden on OVSD's entire sewer system. In any case, the fees and charges must be "proportionate to the burden of the proposed [ADU] ... upon the water or sewer system" and must not "exceed the reasonable cost of providing this service."

HCD understands that OVSD currently requires capacity charges for ADU applications, but not connection fees. OVSD explained that it does not require a direct connection between an ADU and OVSD's main sewer line, which the statute would allow it to do, in part because requiring a direct connection would significantly increase the cost of building an ADU. OVSD informed HCD that its sewer lines are often located in public rights-of-way owned by the City of Ojai, the County of Ventura, or the California Department of Transportation. Obtaining entry to perform work within the public right-of-way can involve months of delays and cost between $15,000 and $25,000 per project, depending on the jurisdiction. That would be in addition to the connection fees that OVSD would also be permitted to charge for direct connections to its main sewer lines.

Conclusion

So long as OVSD's fees and charges conform to the requirements in Government Code section 66311.5, subdivision (e), they are not inconsistent with State ADU Law.

HCD hopes that OVSD finds these clarifications helpful. HCD welcomes the opportunity to assist OVSD in fully complying with State ADU Law. If you have questions or require additional technical assistance, please feel free to contact me at Jamie.Candelaria@hcd.ca.gov.

Sincerely,

Jamie Candelaria

Jamie Candelaria
Section Chief, ADU Policy
Housing Accountability Unit