

MARIN LOCAL AGENCY FORMATION COMMISSION

RESOLUTION NO. 26-03

RESOLUTION AMENDING THE SPHERE OF INFLUENCE OF THE CITY OF NOVATO AND MAKING WRITTEN DETERMINATIONS

WHEREAS upon determination and adoption of a sphere of influence, the Marin Local Agency Formation Commission is required to periodically review and update adopted spheres of influence for each city and special district not less than once every five years, as necessary, within Marin County under Government Code Section 56425 (g); and

WHEREAS the Deputy Executive Officer has conducted a review of the adopted sphere of influence of local government agencies providing municipal services, prepared a summary, *Novato Area Municipal Service Review*, including his recommendations thereon, the summary having been presented to and considered by this Commission; and

WHEREAS a public hearing by this Commission was held on the *Novato Area Municipal Service Review* and this Sphere of Influence Update, and staff's recommendations contained in that report on Thursday, June 11, 2026, and at the hearing, this Commission heard and received all oral and written testimony, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report.

NOW, THEREFORE, based upon the information contained in the Executive Officer's report, correspondence from affected agencies, and information received during the public hearings, the Marin Local Agency Formation Commission **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. The sphere of influence of the City of Novato is hereby amended as shown on Exhibit B attached hereto and incorporated herein by reference, and the Commission makes the written determinations pursuant to Government Code section 56425(e) as provided for in Exhibit A attached hereto and incorporated herein by reference. All currently active powers for the City are listed within the *Novato Area Municipal Service Review* within the City's agency profile section.

Section 2. Pursuant to Section 15061(b)(3) of the State CEQA Guidelines, the Commission finds that this review and amendment of the sphere of influence of the City of Novato is exempt from the provisions of the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Section 3. The Executive Officer is hereby directed to mail copies of this resolution to affected local government agencies in the Novato Area Municipal Service Review area.

PASSED AND ADOPTED by the Marin Local Agency Formation Commission, on June 11, 2026, by the following vote:

AYES: Commissioners Coler, Rodoni, Chu, Murray, Kious, Lucan and Burdo

NOES: _____

ABSTAIN: _____

ABSENT: _____

Barbara Coler
Barbara Coler (Jun 15, 2026 11:08:42 PDT)
Barbara Coler, Chair
Marin LAFCo

ATTEST:

APPROVED AS TO FORM:

Jason Fried
Jason Fried, LAFCo Executive Officer

Malathy Subramanian
Malathy Subramanian (Jun 15, 2026 10:26:22 PDT)
Malathy Subramanian, LAFCo Counsel

Attachments to Resolution No. 26-03

- a) Exhibit A - Determinations
- b) Exhibit B - Map

EXHIBIT A

CITY OF NOVATO SPHERE OF INFLUENCE DETERMINATIONS

GOVERNMENT CODE SECTION 56425

- 1) The present and planned land uses in the area, including agricultural and open-space lands.
 - Land use within the City of Novato is guided by General Plan 2035, which emphasizes managed growth, protection of environmental and open space resources, and preservation of Novato's small-town character while accommodating needed housing, jobs, and transportation improvements. Nearly half of the City's zoned area is classified in the Planned District (PD) zoning district, at 49.05% of jurisdictional land area (7,878 acres), followed by Open Space and Restricted Open Space combined at approximately 24.45% (3,923 acres), Low Density Residential in its various subcategories at approximately 13.5%, and Community Facilities at 4.13%. Open Space/Parkland/Conservation designations collectively account for approximately 27.2% (4,372 acres) of the City's land, reflecting a strong commitment to natural lands preservation within the urban boundary.
 - The City's current SOI is primarily coterminous with its jurisdictional boundary, with the addition of four unincorporated areas: Loma Verde, Vineyard Road, North St. Vincent's, and Atherton Avenue/Rush Creek. The unincorporated communities of Loma Verde and Indian Valley are characterized by single-family residential uses. Loma Verde is completely surrounded by the City and within the City's SOI; Indian Valley comprises approximately 630 acres of low-density single-family housing with parcel sizes ranging from 1 to nearly 45 acres, plus equestrian, orchard, and livestock uses. Black Point and Green Point are rural-residential communities at the Marin/Sonoma County line, bounded by San Pablo Bay, the Petaluma River, and the City's northeast jurisdictional limits, and are characterized by Agricultural Limited and Open Area zoning and a stated community preference for preserving their rural, non-urban character.
 - The City's voter-approved Urban Growth Boundary, in effect through at least 2042, is the controlling land use policy instrument that defines the probable physical boundary of the City's future service area. Under the CKH Act, the SOI is the legal and planning expression of where a city is expected to grow and deliver services. Where a city has adopted an urban growth boundary restricting expansion beyond the existing city limit, the probable future boundary and service area defaults to the existing city boundary itself. A SOI that extends beyond the UGB would be inconsistent with state law's definition of a sphere, with Marin LAFCo's policy recognizing UGBs, and with the City's own voter-enacted growth limits.
 - Marin LAFCo determines that present and planned land uses within and contiguous to the City's current sphere of influence support the amendment of the City's SOI to be coterminous with the City's UGB. The planned land uses within the current non-coterminous portions of the SOI (Loma Verde, Vineyard Road, North St. Vincent's, and Atherton Avenue/Rush Creek) are not scheduled for annexation into the City, the communities themselves have expressed opposition to annexation, and the UGB prevents any expansion-based annexation without a separate voter-approved UGB amendment. Retaining these areas in the SOI would be inconsistent with the legal and policy framework governing SOI determinations for cities with in-place urban growth boundaries.
- 2) The present and probable need for public facilities and services in the area.
 - The City of Novato directly provides law enforcement, building and planning, code enforcement, parks and recreation, landscape maintenance, streets and road maintenance, and stormwater drainage services to its 51,690 residents within the 28-square-mile jurisdictional boundary. The present need for these services is continuous, essential, and appropriately met by the City's existing organizational structure and departmental resources.

- Within the current SOI areas beyond the City's jurisdictional boundary—Loma Verde, Vineyard Road, North St. Vincent's, and Atherton Avenue/Rush Creek—residents currently receive City services on a de facto basis (particularly emergency response) without formal service agreements or the benefit of City fiscal resources derived from those areas. However, none of these communities have expressed a desire for annexation, and no formal annexation proceedings are pending or anticipated. The probable need for extended City services in these areas is therefore based on a continuation of the existing informal first-responder role rather than any planned annexation.
 - The City's RHNA pipeline projects 2,627 units of new housing capacity within the existing city limits, all of which will be served by the City's existing infrastructure and service systems. No new territory outside the current city limits is required to accommodate the Housing Element build-out. The public facilities and services needed to support RHNA development are extensions or upgrades of existing systems within the established urban boundary..
 - Marin LAFCo determines that there is a stable and ongoing present need for the City of Novato's public facilities and services throughout the jurisdictional boundary, and that the probable future need for City services does not extend beyond the UGB. The City's RHNA capacity exceeds its state-mandated allocation by 537 units within the existing boundary, confirming that all foreseeable service demand growth can be accommodated within the current jurisdictional footprint.
- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- As established in MSR Determination 3, the City's police, public works, and parks and recreation services are adequately staffed and resourced at present levels, with clear improvement trajectories driven by Measure M funding, SAFE Team deployment, and the Parks Master Plan. Police staffing remains stable at 78 FTE, infrastructure reinvestment has returned to a positive trajectory (net infrastructure assets grew from \$83.75M to \$88.6M in FY 2025), and the PRCS Department operates at near-full cost recovery with a net General Fund cost of only \$164,079 in FY 2025.
 - The City's primary infrastructure adequacy concern is deferred maintenance of roads, storm drains, and public facilities accumulated during the pandemic-era budget reductions of FY 2021 and FY 2022, when the City under-invested relative to depreciation by a combined \$5.2 million. The Public Works department's return to a positive capital investment trajectory beginning in FY 2023, augmented by Measure M-funded weed abatement and street maintenance in FY 2025, represents the appropriate and necessary corrective action. Full quantification of the remaining deferred maintenance backlog and a dedicated remediation schedule would further strengthen the City's capital planning framework.
 - Marin LAFCo determines that the City of Novato has sufficient present capacity to provide its authorized services throughout the jurisdictional boundary. Deferred maintenance accumulated during the pandemic-era budget contraction represents the primary known infrastructure adequacy concern, and the City's capital investment trajectory as of FY 2025 is moving in the correct direction. The Commission will monitor continued progress in reducing the deferred maintenance backlog, particularly for streets, in future MSR evaluations.
- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the district.
- A community of interest (COI) is a geographically contiguous population that shares common social, cultural, economic, or historical interests relevant to public policy and fair political representation. Within and contiguous to the sphere of influence of the City of Novato, Marin LAFCo has identified several unincorporated communities that constitute social and/or economic communities of interest. These communities are classified as unincorporated islands—areas substantially surrounded by the City that in

many cases can only be accessed via the City's streets—creating governance and service delivery conditions that are directly relevant to this SOI determination.

- The identified communities of interest are:

Loma Verde: A primarily single-family residential neighborhood completely surrounded by the City and within the City's SOI, also within the boundaries of Marin County Service Area 1. Residents have previously expressed opposition to annexation into the City. The area has no official neighborhood group.

Indian Valley: Comprising approximately 630 acres of low-density residential uses with parcel sizes ranging from 1 to nearly 45 acres, plus equestrian, agricultural, and open space uses. The Indian Valley Association has previously expressed opposition to annexation.

Black Point: A rural-residential community at the Marin/Sonoma County line, within the Novato Sanitary District SOI but not receiving NSD wastewater service, relying instead on on-site wastewater treatment systems. The Black Point Improvement Club has previously expressed opposition to annexation.

Green Point: Adjacent to Black Point, with large residential lots interspersed with agriculture and open space, historically retaining a rural character without urban services or amenities. Represented in part by the Black Point Improvement Club, which has previously expressed opposition to annexation.

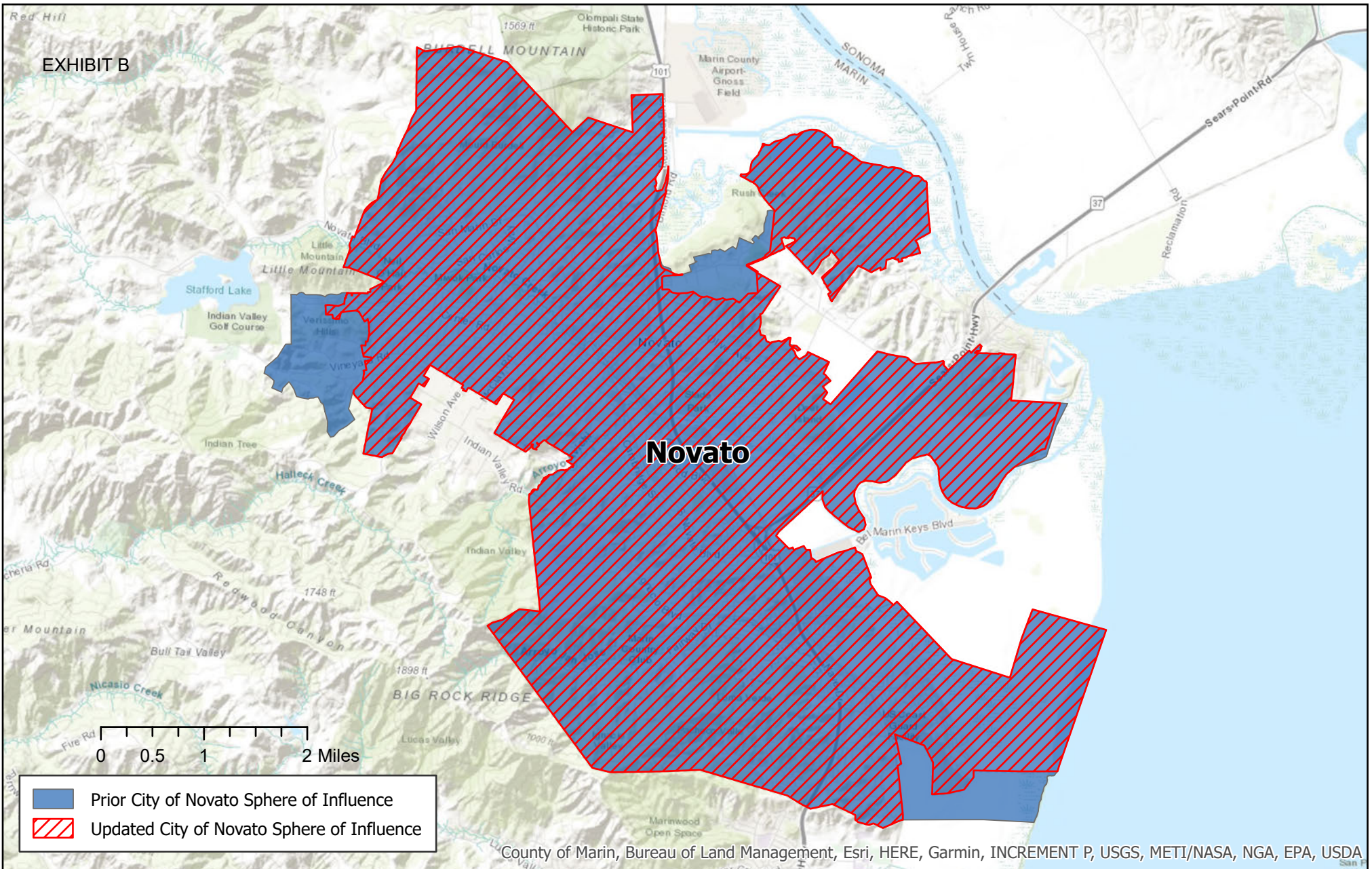
Bel Marin Keys: Located in the southeast Novato region between Highways 37 and 101, covering approximately one square mile with an estimated 700 housing units, primarily served by the Bel Marin Keys Community Services District (BMKCSO). Excluded from the City's SOI by Marin LAFCo since 1982, the BMKCSO Board of Directors has previously informed Marin LAFCo that the community does not wish to be annexed into the City.

- Marin LAFCo's Unincorporated Island policy encourages annexation of islands to cities where supported by the island community, to reduce governance inefficiencies and provide more orderly local government boundaries. However, Marin LAFCo will not proceed with an island annexation where the affected community has voiced opposition. All five communities identified above have expressed such opposition.
- Additionally, any annexation of areas outside the UGB would require a City voter-approved UGB amendment—a prerequisite that effectively forecloses annexation of Black Point, Green Point, and any other areas external to the jurisdictional boundary, absent a separate public vote.
- Marin LAFCo determines that the unincorporated communities of Loma Verde, Indian Valley, Black Point, Green Point, and Bel Marin Keys constitute social and/or economic communities of interest within or contiguous to the City of Novato's SOI. These communities are relevant to the SOI determination because their residents interact daily with City infrastructure, depend on City emergency response as de facto first responders, and maintain distinct community identities. However, as all communities have, at one point or another, expressed opposition to annexation, and the UGB restricts expansion beyond the current city limits through 2042, no annexation proceedings are appropriate at this time. The Commission affirms its Unincorporated Island policy and will continue to facilitate dialogue with these communities as part of future MSR and SOI reviews.

- 5) For an update of a sphere of influence for a district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

- Marin LAFCo determines that there are no disadvantaged unincorporated communities within or contiguous to the City of Novato's sphere of influence with present or probable unmet needs

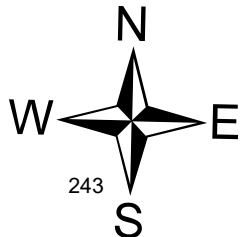
for public facilities or services at this time. The Commission will revisit this determination in future MSR cycles as demographic conditions evolve.



Date: 5/4/2026



UPDATED CITY OF NOVATO SPHERE OF INFLUENCE













Resolution 26-03 - Amedning Novato SOI and Determinations

Final Audit Report

2026-06-15

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