

AMENDED IN ASSEMBLY MARCH 24, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

No. 1230

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Introduced by Assembly Member Gomez

February 27, 2015

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~~An act to amend Section 65858 of the Government Code, relating to land use. An act to add Part 7.1 (commencing with Section 15427) to Division 3 of Title 2 of the Government Code, relating to state government, and making an appropriation therefor.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 1230, as amended, Gomez. ~~Zoning regulations; interim ordinances.~~ *California Americans with Disabilities Act Small Business Compliance Financing Act.*

*Existing law provides various programs to expand access to persons with disabilities and promote compliance with the federal Americans with Disabilities Act of 1990. Existing law authorizes a specified authority to make loans, funded by bonds issuances, to health facilities to assist those participating health facilities lower the costs of financing certain kinds of projects in order to pass along those savings to the public paying for healthcare at those facilities.*

*This bill would enact the California Americans with Disabilities Act Small Business Compliance Financing Authority Act to establish a self-sustaining program to provide loans, funded in part by bond issuances, to assist small businesses finance the costs of projects that alter or retrofit existing small business facilities to comply with the federal American with Disabilities Act. This bill would specify that any bonds issued under the act do not constitute a debt or liability of the state or a pledge of the faith and credit of the state, other than the*

*California Americans with Disabilities Act Small Business Compliance Financing Authority.*

*This bill would establish in state government the California Americans with Disabilities Act Small Business Compliance Financing Authority, composed of seven specified members. This bill would require the Treasurer, as chair of the authority, to appoint an executive director who serves at the pleasure of the authority. This bill would require the authority to comply with existing open meeting and public record disclosure laws, as specified.*

*This bill would establish the California Americans with Disabilities Act Small Business Compliance Financing Authority Fund, as a continuously appropriated fund, and require the authority to use the fund for all its purposes. This bill would also transfer \$50,000,000 from the General Fund to the California Americans with Disabilities Act Small Business Compliance Financing Authority Fund.*

~~The Planning and Zoning Law authorizes the legislative body of a city, including a charter city, a county, or a city and county under specified conditions to adopt for a period of 45 days as an urgency measure an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the legislative body, the planning commission, or the planning department is considering or studying or intends to study within a reasonable time. The law also authorizes prescribed extensions of the interim ordinance, subject to specified conditions. The law further requires the legislative body to issue a written report describing the measures taken to alleviate the condition which led to the adoption of the interim ordinance at least 10 days prior to the expiration of the interim ordinance or any extension.~~

~~This bill would instead require the written report to be issued 15 days prior to the expiration of the interim ordinance or any extension.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Part 7.1 (commencing with Section 15427) is
- 2     added to Division 3 of Title 2 of the Government Code, to read:

1 *PART 7.1. CALIFORNIA AMERICANS WITH DISABILITIES*  
2 *ACT SMALL BUSINESS COMPLIANCE FINANCING*  
3 *AUTHORITY*

4  
5 *CHAPTER 1. GENERAL PROVISIONS*  
6

7 *15427. This act shall be known and may be cited as the*  
8 *California Americans with Disabilities Act Small Business*  
9 *Compliance Financing Authority Act.*

10 *15427.2. It is the intent of the Legislature in this act to establish*  
11 *a self-sustaining program to provide loans to assist small*  
12 *businesses in complying with the Americans with Disabilities Act.*  
13 *It is not the intent of the Legislature to fund the physical expansion*  
14 *of small businesses that includes modifications that comply with*  
15 *the Americans with Disabilities Act, or to authorize the authority*  
16 *to control or participate in the operation of a small business except*  
17 *to the extent necessary to secure payment by a small business that*  
18 *defaulted on a loan to the authority, and then only to the extent*  
19 *that complies with the loan agreement between that small business*  
20 *and the authority.*

21 *15427.4. Unless the context requires otherwise, as used in the*  
22 *act the following words and terms shall have the following*  
23 *meanings:*

24 *(a) "Act" means the California Americans with Disabilities Act*  
25 *Small Business Compliance Financing Authority Act enacted*  
26 *pursuant to this part.*

27 *(b) "Americans with Disabilities Act" means the federal*  
28 *Americans with Disabilities Act (42 U.S.C. 12101, et seq.) and*  
29 *amendments thereto.*

30 *(c) "Authority" means the California Americans with*  
31 *Disabilities Act Small Business Compliance Financing Authority*  
32 *created by the act or any board, body, commission, department,*  
33 *or officer acting under the authorization of the act.*

34 *(d) "Cost" means and includes all or any part of the price of*  
35 *construction, purchase price of real or personal property, the price*  
36 *of demolishing or removing any buildings or structures, the price*  
37 *of all machinery and equipment, the amount of financing charges*  
38 *and interest prior to, during, and for a period not to exceed the*  
39 *later of one year or one year following completion of construction,*  
40 *as determined by the authority, the price of insurance during*

1 construction, the amount of funding or financing noncapital  
2 expenses, the amount of reserves for principal and interest and  
3 for extensions, enlargements, additions, replacements, renovations  
4 and improvements, the price of engineering, financial and legal  
5 services and other service contracts, the price of plans,  
6 specifications, studies, surveys, estimates, administrative expenses,  
7 and any other expenses of funding or financing, that are necessary  
8 or incidental to determining the total payment necessary to  
9 complete a project.

10 (e) “Fund” means the California Americans with Disabilities  
11 Act Small Business Compliance Financing Authority Fund  
12 established by Section 15427.24.

13 (f) “Project” means the physical alterations or retrofits to an  
14 existing small business facility of less than 5,000 square feet  
15 necessary to ensure that facility is in compliance with the  
16 Americans with Disability Act, and the financing necessary to pay  
17 all costs of the project.

18 (g) “Small business” means a business located in California  
19 that meets all of the following criteria:

- 20 (1) Less than six full-time equivalent employees.  
21 (2) Less than one million dollars (\$1,000,000) in total gross  
22 annual income from all sources.  
23 (3) Does not provide overnight accommodations.  
24

25 *CHAPTER 2. THE CALIFORNIA AMERICANS WITH DISABILITIES*  
26 *ACT SMALL BUSINESS COMPLIANCE FINANCING AUTHORITY*  
27

28 15427.6. There is in state government the California Americans  
29 with Disabilities Act Small Business Compliance Financing  
30 Authority.

31 15427.8. The California Americans with Disabilities Act Small  
32 Business Compliance Financing Authority constitutes a public  
33 instrumentality, and the exercise by the authority of the powers  
34 conferred by the act shall be deemed and held to be the  
35 performance of an essential public function.

36 15427.10. (a) The authority shall be composed of the following  
37 seven members:

- 38 (1) The Treasurer, who shall serve as the chair.  
39 (2) The Controller.  
40 (3) The Director of Finance.

1     (4) *The Director of General Services.*

2     (5) *One member appointed by the Senate Committee on Rules*  
3 *who shall have specialized knowledge or experience with*  
4 *accessibility issues for people with disabilities.*

5     (6) *One member appointed by the Speaker of the Assembly who*  
6 *shall be the owner of a small business or a member of an*  
7 *organization that represents the interests of small businesses.*

8     (7) *One member appointed by the Governor, subject to*  
9 *confirmation by a majority vote of the Senate, who shall be a*  
10 *member of the State Bar of California with professional experience*  
11 *in consumer protection laws.*

12     15427.12. (a) *Each member shall serve a term of four years.*  
13 *An individual appointed to fill a vacancy occurring during a term*  
14 *of office shall only serve the remainder of the unexpired term.*

15     (b) *At the expiration of his or her four-year term, a member*  
16 *shall continue to hold office until the successor has been appointed*  
17 *and qualifies to begin serving.*

18     (c) *A member shall be eligible for reappointment.*

19     (d) *Members of the authority shall serve without compensation,*  
20 *but the authority may reimburse members for necessary expenses*  
21 *incurred in the discharge of their duties.*

22     (e) *This section shall only apply to the members appointed by*  
23 *the Senate Committee on Rules, the Speaker of the Assembly, and*  
24 *the Governor.*

25     15427.14. *The Director of Finance and the Director of General*  
26 *Services may designate an employee in his or her department to*  
27 *act for him or her at meetings of the authority.*

28     15427.16. *The State Treasurer, in his or her capacity as the*  
29 *chair, shall appoint an executive director, who shall not be a*  
30 *member of the authority and who shall serve at the pleasure of the*  
31 *authority. The executive director shall receive compensation fixed*  
32 *by the authority.*

33     15427.18. (a) *The executive director or the person designated*  
34 *by the authority in a resolution shall keep a record of the*  
35 *proceedings of the authority and be the custodian of the official*  
36 *seal, the minute book or journal, and all records and documents*  
37 *of the authority.*

38     (b) *The executive director or the person designated by the*  
39 *authority in a resolution may provide a copy of a record of any*  
40 *proceeding of the authority or any other records and documents*

1 of the authority and may give a certificate under the official seal  
2 of the authority that the copy is a true copy, and all persons dealing  
3 with the authority may rely upon that certificate.

4 15427.20. (a) The affirmative vote of a majority of a quorum  
5 shall be necessary for the authority to take any action. Four  
6 members of the authority shall constitute a quorum, regardless of  
7 any vacancies in the membership of the authority.

8 (b) Resolutions of the authority need not be published or posted.

9 (c) (1) The authority may delegate by resolution to one or more  
10 of its members or the executive director the powers and duties the  
11 authority deems proper.

12 (2) The authority may delegate to the executive director or an  
13 employee of the authority the powers and duties the authority  
14 deems proper, including, but not limited to, the power to enter into  
15 contracts on behalf of the authority.

16 15427.22. The authority shall comply with the Bagley-Keene  
17 Open Meeting Act (Article 9 (commencing with Section 11120) of  
18 Chapter 1 of Part 1) and the California Public Records Act  
19 (Chapter 3.5 (commencing with Section 6250) of Division 7 of  
20 Title 1).

21  
22 *CHAPTER 3. THE CALIFORNIA AMERICANS WITH DISABILITIES*  
23 *ACT SMALL BUSINESS COMPLIANCE FINANCING AUTHORITY FUND*  
24

25 15427.24. (a) The California Americans with Disabilities Act  
26 Small Business Compliance Financing Authority Fund is  
27 established in the State Treasury. Notwithstanding Section 13340,  
28 all money in the fund is continuously appropriated to the authority  
29 for carrying out the purposes of the act. The authority may divide  
30 the fund into separate accounts. All moneys accruing to the  
31 authority pursuant to the act from any source shall be deposited  
32 into the fund.

33 (b) Subject to the cost of loans provided by the authority  
34 pursuant to the act and subject further to any reasonable costs  
35 that may be incurred by the authority in administering the act, all  
36 moneys in the fund derived from any source shall be held in trust  
37 for the security and payment of bonds of the authority and shall  
38 not be used or pledged for any other purpose so long as the bonds  
39 are outstanding and unpaid. However, nothing in this section shall  
40 limit the power of the authority to make loans with the proceeds

1 of bonds in accordance with the terms of the resolution authorizing  
2 the same or pledging or granting a security interest to the provider  
3 of credit support as specified in the documents pursuant to which  
4 revenue bonds are issued.

5 (c) (1) The authority may pledge any or all of the moneys in the  
6 fund as security for payment of the principal of, and interest on,  
7 any secured or unsecured loan made pursuant to the act or as  
8 necessary or convenient to the accomplish any purpose of the  
9 authority.

10 (2) Pursuant to any agreements with the holders of particular  
11 bonds pledging any particular assets, revenues, or moneys, the  
12 authority may create separate accounts in the fund to manage  
13 assets, revenues, or moneys in the manner set forth in the  
14 agreements.

15 (d) The authority may direct the Treasurer to invest moneys in  
16 the fund that are not required for its current needs, including  
17 proceeds from the sale of any bonds, in the eligible securities  
18 specified in Section 16430 as the authority shall designate. The  
19 authority may direct the Treasurer to deposit moneys in  
20 interest-bearing accounts in state or national banks or other  
21 financial institutions having principal offices located in the state.  
22 The authority may alternatively require the transfer of moneys in  
23 the fund to the Surplus Money Investment Fund for investment  
24 pursuant to Article 4 (commencing with Section 16470) of Chapter  
25 3 of Part 2 of Division 4. All interest or other increment resulting  
26 from an investment or deposit shall be deposited into the fund,  
27 notwithstanding Section 16305.7. Moneys in the fund shall not be  
28 subject to transfer to any other fund pursuant to any provision of  
29 Part 2 (commencing with Section 16300) of Division 4, excepting  
30 the Surplus Money Investment Fund.

31 15427.26. All expenses of the authority incurred in carrying  
32 out the provisions of the act shall be payable solely from funds  
33 and authority provided to the authority.

34  
35 CHAPTER 4. POWERS AND DUTIES OF THE CALIFORNIA  
36 AMERICANS WITH DISABILITIES ACT SMALL BUSINESS COMPLIANCE  
37 FINANCING AUTHORITY  
38

1     15427.28. (a) *The authority shall administer the act and is*  
2 *vested with all powers reasonably necessary to carry out the duties*  
3 *expressly granted or imposed under the act.*

4     (b) *The authority shall establish financial eligibility standards*  
5 *for each small business seeking financing from the authority by*  
6 *studying the creditworthiness and earning capacity of the small*  
7 *business, the impact of new debt and the completion of the project*  
8 *on the small business, and the amount of pledged revenues, debt*  
9 *service coverage, and basic security.*

10    15427.30. *The authority may do any of the following:*

11     (a) *Adopt bylaws for the regulation of its affairs and the conduct*  
12 *of its business.*

13     (b) *Adopt an official seal.*

14     (c) *Sue and be sued in its name.*

15     (d) *Receive and accept gifts, grants, or donations of money for*  
16 *achieving any purpose of the act from any agency of the federal*  
17 *government, another state entity, a city, county, city and county,*  
18 *any other political subdivision of the state, an individual,*  
19 *association, or corporation.*

20     (e) *Engage private consultants to provide professional and*  
21 *technical services and advice in carrying out the purposes of the*  
22 *act.*

23     (f) *Determine the location and character of any project to be*  
24 *financed under the act; acquire, construct, enlarge, remodel,*  
25 *renovate, alter, improve, furnish, equip, fund, finance, own,*  
26 *maintain, manage, repair, operate, lease as lessee or lessor, and*  
27 *regulate a project under the act and enter into contracts for any*  
28 *or all of those purposes; enter into contracts for the management*  
29 *and operation of a project or other small business facilities owned*  
30 *by the authority; designate a participating property manager as*  
31 *its agent to determine the location and character of a project*  
32 *undertaken by that participating small business under the act and,*  
33 *as the agent of the authority, acquire, construct, enlarge, remodel,*  
34 *renovate, alter, improve, furnish, equip, own, maintain, manage,*  
35 *repair, operate, lease as lessee or lessor, and regulate the same*  
36 *and, as the agent of the authority, to enter into contracts for any*  
37 *or all of those purposes, including contracts for the management*  
38 *and operation of that project or other small business facilities*  
39 *owned by the authority.*



1 (g) Receive and accept from any source loans, contributions,  
2 or grants for, or in aid of, the construction, financing, or  
3 refinancing of a project or any portion of a project in money,  
4 property, labor, or other things of value.

5 (h) Make secured or unsecured loans to, or purchase secured  
6 or unsecured loans of, any participating small business in  
7 connection with financing the costs of a project in accordance  
8 with an agreement between the authority and the participating  
9 small business. However, the authority shall not make any loan to  
10 a small business to finance the cost of a project that exceeds the  
11 lesser of \$50,000 or the total cost of the project, as determined by  
12 the participating small business and approved by the authority.  
13 The authority shall not make a loan to a small business with a  
14 repayment period of 60 months or longer, except if the project is  
15 located on real property that is leased. If the project is located on  
16 real property that is leased, the repayment period shall not exceed  
17 the term of the lease, excluding any option to extend the lease. The  
18 authority shall only make a loan that includes an interest rate that  
19 equals the pooled money investment rate at the time the loan is  
20 approved and is sufficient to repay the reasonable pro rata  
21 expenses of the authority to administer the loan, including, but not  
22 limited to, the costs of issuing revenue bonds to fund the loan.

23 (i) Enter into any and all agreements or contracts, including  
24 agreements for liquidity or credit enhancement, bond exchange  
25 agreements, interest rate swaps or hedges; execute any and all  
26 instruments; and do and perform any and all acts or things  
27 necessary, convenient, or desirable for the purposes of the  
28 authority or to carry out any power expressly granted by the act.

29 (j) Invest any moneys held in reserve or sinking funds or any  
30 moneys not required for immediate use or disbursement, at the  
31 discretion of the authority, in any obligations authorized by the  
32 resolution authorizing the issuance of the bonds secured thereof  
33 or authorized by law for the investment of trust funds in the custody  
34 of the Treasurer.

35 (k) The authority may require any information it deems  
36 necessary and prudent prior to providing a loan to a small business  
37 and may require any term, condition, security, or repayment  
38 provision it deems necessary in the event the authority chooses to  
39 provide a loan.

1     15427.32. (a) *The authority is authorized to issue revenue*  
2 *bonds to provide funds for achieving any of the purposes under*  
3 *the act.*

4     (b) *Except as expressly provided otherwise by the authority,*  
5 *revenue bonds shall be payable from any revenues or moneys of*  
6 *the authority available therefor and not otherwise pledged, subject*  
7 *only to any agreements with the holders of particular bonds or*  
8 *notes pledging any particular revenues or moneys. Negotiable*  
9 *bonds shall be and be deemed to be for all purposes negotiable*  
10 *instruments, notwithstanding that these bonds may be payable*  
11 *from a special fund, subject only to the provisions of these bonds*  
12 *for registration.*

13     (c) *The authority's revenue bonds may be issued as serial bonds*  
14 *or as term bonds, or the authority, in its discretion, may issue*  
15 *bonds of both types. The issuance of all revenue bonds shall be*  
16 *authorized by resolution of the authority and shall bear such date*  
17 *or dates, mature at such time or times, not exceeding 40 years*  
18 *from their respective dates, bear interest at such rate or rates, be*  
19 *payable at such time or times, be in such denominations, be in*  
20 *such form, either coupon or registered, carry such registration*  
21 *privileges, be executed in such manner, be payable in lawful money*  
22 *of the United States of America at such place or places, and be*  
23 *subject to such terms of redemption, as the indenture, trust*  
24 *agreement, or resolution relating to these revenue bonds may*  
25 *provide. The authority's revenue bonds or notes may be sold by*  
26 *the Treasurer at public or private sale, after giving due*  
27 *consideration to the recommendation of the participating small*  
28 *business, for the price or prices and upon the terms and conditions*  
29 *as the authority shall determine. The Treasurer may sell these*  
30 *revenue bonds at a price below the par value thereof. However,*  
31 *the discount on any bonds so sold shall not exceed 6 percent of*  
32 *the par value thereof, except in the case of any bonds payable in*  
33 *whole or in part from moneys held under one or more outstanding*  
34 *resolutions or indentures. Pending preparation of the definitive*  
35 *bonds, the authority may issue interim receipts or certificates or*  
36 *temporary bonds which shall be exchanged for such definitive*  
37 *bonds.*

38     (d) *A resolution or resolutions authorizing the issuance of any*  
39 *revenue bonds or any issue of revenue bonds may contain*  
40 *provisions, which shall be a part of the contract with the holders*

1 of the bonds to be authorized, as to pledging all or any part of the  
2 revenues of a project or any revenue-producing contract or  
3 contracts made by the authority with an individual, partnership,  
4 corporation or association or other body, public or private, to  
5 secure the payment of the bonds or of a particular issue of bonds.

6 (e) Neither the members of the authority nor any person  
7 executing the revenue bonds shall be liable personally on the bonds  
8 or be subject to any personal liability or accountability by reason  
9 of the issuance thereof.

10 (f) The authority may purchase its bonds with any moneys  
11 available to the authority for this purpose. The authority may  
12 exchange bonds for its bonds. The authority may hold, pledge,  
13 exchange, cancel, or resell these bonds, subject to and in  
14 accordance with its agreements with bondholders.

15 15427.34. In the discretion of the authority, any revenue bonds  
16 issued under the provisions of the act may be secured by a trust  
17 agreement or indenture by and between the authority and a  
18 corporate trustee or trustees, which may be the Treasurer or any  
19 trust company or bank having the powers of a trust company within  
20 or without the state. The trust agreement, indenture, or the  
21 resolution providing for the issuance of these bonds may pledge  
22 or assign the revenues to be received from a participating small  
23 business. The indenture, trust agreement, or resolution providing  
24 for the issuance of these bonds may contain provisions for  
25 protecting and enforcing the rights and remedies of the  
26 bondholders and any provider of credit or liquidity support for  
27 these bonds as may be reasonable and proper and not in violation  
28 of law, including particularly those provisions as have hereinabove  
29 been specifically authorized to be included in any resolution or  
30 resolutions of the authority authorizing bonds thereof. Any trust  
31 agreement or indenture may set forth the rights and remedies of  
32 the bondholders, any provider of credit or liquidity support for  
33 these bonds, and of the trustee or trustees, and may restrict the  
34 individual right of action of bondholders. In addition to the  
35 foregoing, any indenture, trust agreement, or resolution may  
36 contain such other provisions as the authority may deem  
37 reasonable and proper for the security of the bondholders.

38 15427.36. Any provision that the authority may include in a  
39 trust agreement, indenture, or resolution pursuant to the act may  
40 alternatively be included in a bond with the same effect.

1     15427.38. *Revenue bonds issued under the provisions of the*  
2 *act shall not be deemed to constitute a debt or liability of the state*  
3 *or of a political subdivision thereof or a pledge of the faith and*  
4 *credit of the state or of that political subdivision, other than the*  
5 *authority, but shall be payable solely from the moneys in the fund.*  
6 *These bonds shall contain a statement to the effect that neither the*  
7 *State of California nor the authority shall be obligated to pay the*  
8 *principal of, or the interest thereon, except from revenues of the*  
9 *authority, and that neither the faith and credit nor the taxing power*  
10 *of the State of California or of a political subdivision thereof is*  
11 *pledged to the payment of the principal of or the interest on these*  
12 *bonds. The issuance of revenue bonds under the act shall not*  
13 *directly or indirectly or contingently obligate the state or a political*  
14 *subdivision thereof to levy or to pledge a form of taxation whatever*  
15 *therefor or to make an appropriation for their payment.*

16     15427.40 *Any holder of revenue bonds issued under the act*  
17 *or any of the coupons appertaining thereto, and the trustee or*  
18 *trustees under any indenture or trust agreement, except to the*  
19 *extent the rights herein given may be restricted by any resolution*  
20 *authorizing the issuance of, or any such indenture or trust*  
21 *agreement securing, such bonds, may, either at law or in equity,*  
22 *by suit, action, mandamus or other proceedings, protect and*  
23 *enforce any and all rights under the laws of the state or granted*  
24 *hereunder or under such resolution or indenture or trust*  
25 *agreement, and may enforce and compel the performance of all*  
26 *duties required by the act or by such resolution, indenture, or trust*  
27 *agreement to be performed by the authority or by any officer,*  
28 *employee or agent thereof.*

29     15427.42. *All moneys received pursuant to the act, whether as*  
30 *proceeds from selling or incurring revenue bonds or as revenues,*  
31 *shall be deemed to be trust funds to be held and applied solely as*  
32 *provided in the act. Until the funds are applied as provided in the*  
33 *act, and notwithstanding any other provision of law, the moneys*  
34 *may be invested in any obligations or securities authorized by*  
35 *resolutions of the authority authorizing the issuance of the bonds.*  
36 *Any officer with whom, or any bank or trust company with which,*  
37 *the moneys are deposited shall act as trustee of the moneys and*  
38 *shall hold and apply the moneys for the purposes hereof, subject*  
39 *to any regulations adopted pursuant to the act and the resolution*

1 *authorizing the issuance of the bonds or the indenture or trust*  
2 *agreement securing the bonds.*

3 *15427.44. (a) The authority may provide for the issuance of*  
4 *bonds of the authority for the purpose of redeeming, refunding, or*  
5 *retiring any bonds or any series or issue of bonds then outstanding*  
6 *issued for the benefit of a participating small business to finance*  
7 *or refinance a project, including the payment of any redemption*  
8 *premium thereon and any interest accrued or to accrue to the date*  
9 *of redemption, purchase, or maturity of the bonds.*

10 *(b) The proceeds of any bonds issued for the purpose of*  
11 *refunding of outstanding bonds may, in the discretion of the*  
12 *authority, be applied to the purchase, redemption prior to maturity,*  
13 *or retirement at maturity of any outstanding bonds on their earliest*  
14 *redemption date or dates, upon their purchase or maturity, or paid*  
15 *to a third person to assume the authority's obligation or the*  
16 *applicable bond issuer's obligation to make the payments, and*  
17 *may, pending that application, be placed in escrow to be applied*  
18 *to the purchase, retirement at maturity, or redemption on the date*  
19 *or dates determined by the authority or the participating small*  
20 *business.*

21 *(c) Any proceeds placed in escrow may, pending their use, be*  
22 *invested and reinvested in obligations or securities authorized by*  
23 *resolutions of the authority or as determined by the participating*  
24 *small business, payable or maturing at the time or times as are*  
25 *appropriate to assure the prompt payment of the principal, interest,*  
26 *and redemption premium, if any, of the outstanding bonds to be*  
27 *refunded at maturity or redemption of the bonds to be refunded*  
28 *either at their earliest redemption date or dates or any subsequent*  
29 *redemption date or dates or for payment of interest on the*  
30 *refunding bonds on or prior to the final date of redemption or*  
31 *payment of the bonds to be refunded. After the terms of the escrow*  
32 *have been fully satisfied and carried out, any balance of the*  
33 *proceeds and interest, income and profits, if any, earned or realized*  
34 *on the investments thereof may be returned to the authority for*  
35 *use by the authority or the participating small business.*

36 *(d) All of the bonds issued pursuant to subdivision (a) are*  
37 *subject to the act in the same manner and to the same extent as*  
38 *other bonds issued pursuant to the act.*

39 *15427.46. Bonds issued by the authority under the act are*  
40 *hereby made securities in which all banks, bankers, savings banks,*

1 *trust companies and other persons carrying on a banking business;*  
2 *all insurance companies, insurance associations and other persons*  
3 *carrying on an insurance business; and all administrators,*  
4 *executors, guardians, trustees and other fiduciaries, and all other*  
5 *persons whatsoever who now are or may hereafter be authorized*  
6 *to invest in bonds or other obligations of the state, may properly*  
7 *and legally invest any funds, including capital belonging to them*  
8 *or within their control; and such bonds, notes or other securities*  
9 *or obligations are hereby made securities which may properly and*  
10 *legally be deposited with and received by any state or municipal*  
11 *officers or agency of the state for any purpose for which the deposit*  
12 *of bonds or other obligations of the state is now or may hereafter*  
13 *be authorized by law.*

14 *15427.48. Any bonds issued under the provisions of the act,*  
15 *their transfer, and the income therefrom shall at all times be free*  
16 *from taxation of every kind by the state and by all political*  
17 *subdivisions in the state.*

18 *15427.50. The State of California does pledge to and agree*  
19 *with the holders of the bonds issued pursuant to the act, and with*  
20 *those parties who may enter into contracts with the authority*  
21 *pursuant to the provisions of the act, that the state will not limit,*  
22 *alter or restrict the rights hereby vested in the authority to finance*  
23 *small business projects and to fulfill the terms of any agreements*  
24 *made with the holders of bonds authorized by the act, and with*  
25 *the parties who may enter into contracts with the authority*  
26 *pursuant to the act, or in any way impair the rights or remedies*  
27 *of the holders of such bonds or such parties until the bonds,*  
28 *together with interest thereon, are fully paid and discharged and*  
29 *such contracts are fully performed on the part of the authority.*  
30 *The authority as a public body corporate and politic shall have*  
31 *the right to include the pledge herein made in its bonds and*  
32 *contracts.*

33 *15427.52. A pledge by or to the authority of revenues, moneys,*  
34 *accounts, accounts receivable, contract rights and other rights to*  
35 *payment of whatever kind made by or to the authority pursuant to*  
36 *the authority granted in the act shall be valid and binding from*  
37 *the time the pledge is made for the benefit of pledges and*  
38 *successors thereto. The revenues, moneys, accounts, accounts*  
39 *receivable, contract rights and other rights to payment of whatever*  
40 *kind pledged by or to the authority or its assignees shall*

1 immediately be subject to the lien of the pledge without physical  
2 delivery or further act. The lien of such pledge shall be valid and  
3 binding against all parties, irrespective of whether the parties  
4 have notice of the claim. The indenture, trust agreement, resolution  
5 or another instrument by which such pledge is created need not  
6 be recorded.

7 15427.54. Any net earnings of the authority beyond that  
8 necessary for retirement of any obligations issued by the authority  
9 or to implement the purposes of this chapter may inure to the  
10 benefit only of the State of California or the authority.

11 15427.56. Upon dissolution of the authority, title to all property  
12 owned by the authority shall vest in the successor authority created  
13 by the Legislature, if any, if the successor authority qualifies under  
14 Section 103 of the federal Internal Revenue Code of 1954, as  
15 amended, and the regulations promulgated thereunder, as an  
16 authority entitled to issue obligations on behalf of the State of  
17 California the interest on which is exempt from federal income  
18 taxation. If no such successor authority is so created, title to such  
19 property shall vest in the State of California.

20 SEC. 2. The sum of \$50,000,000 (\$50 Million) is hereby  
21 transferred from the General Fund to the California Americans  
22 with Disabilities Act Small Business Compliance Financing  
23 Authority Fund for the purposes of funding the activities of the  
24 California Americans with Disabilities Act Small Business  
25 Compliance Financing Authority pursuant to the California  
26 Americans with Disabilities Act Small Business Compliance  
27 Financing Authority Act.

28 SECTION 1. ~~Section 65858 of the Government Code is~~  
29 ~~amended to read:~~

30 ~~65858. (a) Without following the procedures otherwise~~  
31 ~~required prior to the adoption of a zoning ordinance, the legislative~~  
32 ~~body of a county, city, including a charter city, or city and county,~~  
33 ~~to protect the public safety, health, and welfare, may adopt as an~~  
34 ~~urgency measure an interim ordinance prohibiting any uses that~~  
35 ~~may be in conflict with a contemplated general plan, specific plan,~~  
36 ~~or zoning proposal that the legislative body, planning commission~~  
37 ~~or the planning department is considering or studying or intends~~  
38 ~~to study within a reasonable time. That urgency measure shall~~  
39 ~~require a four-fifths vote of the legislative body for adoption. The~~  
40 ~~interim ordinance shall be of no further force and effect 45 days~~

1 from its date of adoption. After notice pursuant to Section 65090  
2 and public hearing, the legislative body may extend the interim  
3 ordinance for 10 months and 15 days and subsequently extend the  
4 interim ordinance for one year. Any extension shall also require  
5 a four-fifths vote for adoption. Not more than two extensions may  
6 be adopted.

7 (b) Alternatively, an interim ordinance may be adopted by a  
8 four-fifths vote following notice pursuant to Section 65090 and  
9 public hearing, in which case it shall be of no further force and  
10 effect 45 days from its date of adoption. After notice pursuant to  
11 Section 65090 and public hearing, the legislative body may by a  
12 four-fifths vote extend the interim ordinance for 22 months and  
13 15 days.

14 (c) The legislative body shall not adopt or extend any interim  
15 ordinance pursuant to this section unless the ordinance contains  
16 legislative findings that there is a current and immediate threat to  
17 the public health, safety, or welfare, and that the approval of  
18 additional subdivisions, use permits, variances, building permits,  
19 or any other applicable entitlement for use which is required in  
20 order to comply with a zoning ordinance would result in that threat  
21 to public health, safety, or welfare. In addition, any interim  
22 ordinance adopted pursuant to this section that has the effect of  
23 denying approvals needed for the development of projects with a  
24 significant component of multifamily housing may not be extended  
25 except upon written findings adopted by the legislative body,  
26 supported by substantial evidence on the record, that all of the  
27 following conditions exist:

28 (1) The continued approval of the development of multifamily  
29 housing projects would have a specific, adverse impact upon the  
30 public health or safety. As used in this paragraph, a “specific,  
31 adverse impact” means a significant, quantifiable, direct, and  
32 unavoidable impact, based on objective, identified written public  
33 health or safety standards, policies, or conditions as they existed  
34 on the date that the ordinance is adopted by the legislative body.

35 (2) The interim ordinance is necessary to mitigate or avoid the  
36 specific, adverse impact identified pursuant to paragraph (1).

37 (3) There is no feasible alternative to satisfactorily mitigate or  
38 avoid the specific, adverse impact identified pursuant to paragraph  
39 (1) as well or better, with a less burdensome or restrictive effect,  
40 than the adoption of the proposed interim ordinance.



1     ~~(d) Fifteen days prior to the expiration of that interim ordinance~~  
2     ~~or any extension, the legislative body shall issue a written report~~  
3     ~~describing the measures taken to alleviate the condition which led~~  
4     ~~to the adoption of the ordinance.~~

5     ~~(e) When an interim ordinance has been adopted, every~~  
6     ~~subsequent ordinance adopted pursuant to this section, covering~~  
7     ~~the whole or a part of the same property, shall automatically~~  
8     ~~terminate and be of no further force or effect upon the termination~~  
9     ~~of the first interim ordinance or any extension of the ordinance as~~  
10    ~~provided in this section.~~

11    ~~(f) Notwithstanding subdivision (e), upon termination of a prior~~  
12    ~~interim ordinance, the legislative body may adopt another interim~~  
13    ~~ordinance pursuant to this section provided that the new interim~~  
14    ~~ordinance is adopted to protect the public safety, health, and~~  
15    ~~welfare from an event, occurrence, or set of circumstances different~~  
16    ~~from the event, occurrence, or set of circumstances that led to the~~  
17    ~~adoption of the prior interim ordinance.~~

18    ~~(g) For purposes of this section, “development of multifamily~~  
19    ~~housing projects” does not include the demolition, conversion,~~  
20    ~~redevelopment, or rehabilitation of multifamily housing that is~~  
21    ~~affordable to lower income households, as defined in Section~~  
22    ~~50079.5 of the Health and Safety Code, or that will result in an~~  
23    ~~increase in the price or reduction of the number of affordable units~~  
24    ~~in a multifamily housing project.~~

25    ~~(h) For purposes of this section, “projects with a significant~~  
26    ~~component of multifamily housing” means projects in which~~  
27    ~~multifamily housing consists of at least one-third of the total square~~  
28    ~~footage of the project.~~