



Legislation Details (With Text)

File #:	13-0791	Version:	2	Name:	DS - Payday Loan/Check Cashing
Type:	Ordinance	Status:	Adopted		
File created:	9/3/2013	In control:	City Council		
On agenda:	10/1/2013	Final action:	10/1/2013		
Title:	Recommendation to declare ordinance amending the Long Beach Municipal Code by amending Sections 21.15.475, 21.52.212, Tables 32-1 and 32-1A in Chapter 21.32, Table 33-2 in Chapter 21.33, by amending the Use District Table for PD-25 (Atlantic Avenue Planned Development District), and by amending the Use District Table for PD-29 (Long Beach Blvd Planned Development District); and by adding Sections 21.15.335, 21.15.442, 21.15.562, 21.15.635, 21.15.1792, 21.15.1793, 21.15.1795, 21.15.2008, 21.15.2009, 21.15.2225, 21.15.2401, and 21.45.116, related to check cashing and other financial uses, read and adopted as read. (Citywide)				
Sponsors:	Development Services				
Indexes:					
Code sections:					
Attachments:	1. 091713-H-2sr&att.pdf, 2. 091713-H-2 Correspondence-David Waller.pdf, 3. 091713-H-2 Correspondence-Edward Tan.pdf, 4. 091713-H-2 Correspondence-Erick Verduzco-Vega.pdf, 5. 091713-H-2 Correspondence-Mohammed Islam.pdf, 6. 091713-H-2 Correspondence-Petition Part 1.pdf, 7. 091713-H-2 Correspondence-Petition Part 2.pdf, 8. 091713-H-2 Correspondence-Petition Part 3.pdf, 9. 091713-H-2 Correspondence-Melinda Cotton.pdf, 10. 091713-H-2 Correspondence-Building Healthy Communities-Long Beach.pdf, 11. 091713-H-2 Correspondence-Liana Molina.pdf, 12. 091713-H-2 Correspondence-Liana Molina-2.pdf, 13. 091713-H-2 Correspondence-Patrick Kennedy.pdf, 14. 091713-H-2 Correspondence-R Perry_C Cole.pdf, 15. 091713-H-2 Correspondence-Annie Greenfeld.pdf, 16. 100113-ORD-25att.pdf, 17. ORD-13-0018.pdf				

Date	Ver.	Action By	Action	Result
10/1/2013	2	City Council	approve recommendation and adopt	Pass
9/17/2013	1	City Council	declare ordinance read the first time and laid over to the next regular meeting of the City Council for final reading	Pass

Recommendation to declare ordinance amending the Long Beach Municipal Code by amending Sections 21.15.475, 21.52.212, Tables 32-1 and 32-1A in Chapter 21.32, Table 33-2 in Chapter 21.33, by amending the Use District Table for PD-25 (Atlantic Avenue Planned Development District), and by amending the Use District Table for PD-29 (Long Beach Blvd Planned Development District); and by adding Sections 21.15.335, 21.15.442, 21.15.562, 21.15.635, 21.15.1792, 21.15.1793, 21.15.1795, 21.15.2008, 21.15.2009, 21.15.2225, 21.15.2401, and 21.45.116, related to check cashing and other financial uses, read and adopted as read. (Citywide)

On November 13, 2012, the Long Beach City Council adopted a one-year moratorium prohibiting all check cashing, payday lending, car title loan and signature loan businesses citywide. The one-year moratorium was adopted to allow staff sufficient time to study check cashing businesses, and create new regulations that incorporate car title loan and signature loan businesses.

This is the second moratorium placed on check cashing and other financial services businesses in the last five years. The first moratorium was placed in 2008, due to the proliferation of check cashing businesses citywide. That moratorium was not extended by the City Council after staff found a

number of check cashers were operating without licenses. Instead, the City Council directed staff to bring all illegal check cashing business into compliance with City zoning standards. Since Council direction, the number of businesses operating check cashing businesses has declined. This latest moratorium focuses on other related financial services. Staff has prepared an amendment to the Zoning Regulations pertaining to check cashing, pay day lending and other financial services, regulated in Chapter 21.52 of the Zoning Ordinance. This effort is now complete, and staff is pleased to present the new text to the City Council for review and adoption (Ordinance).

"Check Cashing," as it is currently defined in the Long Beach Municipal Code, includes deferred deposit of personal checks, whereby the check casher refrains from depositing a personal check written by a customer until a specific date; money transfers; payday advances; issuance of money orders; distribution of governmental checks and food stamps; payment of utility bills; issuance of bus passes and tokens; sale of phone cards; and other similar uses. "Check Cashing" does not include a State or federally chartered bank, savings association, credit union, or industrial loan company. Since many alternate financial institutions fall under the definition of check cashing, it is difficult at times to distinguish or define businesses to determine the approval process.

The new regulations focus on three major areas: (1) to modernize the regulations to deal with a number of problems and shortcomings in the current code, including the definition; (2) to greatly enhance the ability of the code to facilitate improvements where necessary and separate the uses from one another in order to address concentration issues; (3) to prohibit the use from neighborhood commercial areas, Planned Development areas and Industrial Zones in order to separate the use from neighborhoods and into locations that are more automobile-oriented.

The existing check cashing chapter will be reinstated and modernized. The modernization will remove conditions and findings that are no longer concerned with check cashing and other financial service uses. Those findings will be replaced with conditions that will require a separation of uses from one another, performance standards, and consumer education conditions.

The proposed Ordinance will capture all types of financial services and enhance existing regulations for the variety of businesses operating under the general category of financial services, thus revising and expanding uses previously defined under check cashing by creating new definitions for financial service uses. This will allow staff to differentiate between businesses, avoiding the blanket definition of check cashing currently used to define a range of financial uses. To further differentiate businesses, the use tables for PD-25, PD-29, and PD-30, along with the Industrial and Commercial Use tables, were modified by adding uses not currently defined, changing check cashing, payday lending, car title lending, and other financial uses from a Conditional Use to a use not allowed in all neighborhood oriented commercial zones (CNP, CNA, and CNR), and Industrial zoning districts. The changes to the use tables will make it easier for staff to classify uses and allow for a separation from nearby residential properties.

Staff communicated and met with both advocates and opponents on a number of occasions and presented the Ordinance on May 2, 2013, as a Study Session item at Planning Commission.

On August 15, 2013, the Planning Commission conducted a public hearing to review these proposed changes to check cashing and other financial service regulations. After considering extensive public comments, the Planning Commission requested changing the proposed separation requirements (buffer) from a distance of 1,000 feet to 1,320 feet (Exhibit A - Buffer Maps).

The Planning Commission then approved the Ordinance in concept and forwarded it to the City Council with a recommendation for adoption. Staff incorporated the Planning Commission's requested changes and, after additional consideration based upon community feedback, also recommends that check cashing and other financial services uses be prohibited in PD-25.

Staff believes that the implementation of this Ordinance would help reduce the number of check cashing businesses in Long Beach, help to educate the public, and better define other financial businesses, while reducing blighted buildings and signage, and making the uses more secure. Staff, therefore, recommends that the City Council adopt these proposed changes into Ordinance.

In accordance with the Guidelines for Implementation of the California Environmental Quality Act, a Categorical Exemption (CE) was prepared for the proposed project (Exhibit B - CE-13-074).

This matter was reviewed by Assistant City Attorney Michael Mais on August 20, 2013 and by Budget Management Officer Victoria Bell on August 29, 2013.

City Council action on this matter is requested on September 17, 2013, so that related changes may be put in place before the expiration of the Moratorium on November 13, 2013.

There is no fiscal impact associated with this request. Existing fees charged for the processing of entitlements will recover costs incurred by City staff. A number of new fees are proposed by staff to accompany new or updated permit processes.

Approve recommendation.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL CODE BY AMENDING SECTIONS 21.15.475, 21.52.212, TABLES 32-1 AND 32-1A IN CHAPTER 21.32, TABLE 33-2 IN CHAPTER 21.33, BY AMENDING THE USE DISTRICT TABLE FOR PD-25 (ATLANTIC AVENUE PLANNED DEVELOPMENT DISTRICT), AND BY AMENDING THE USE DISTRICT TABLE FOR PD-29 (LONG BEACH BLVD PLANNED DEVELOPMENT DISTRICT); AND BY ADDING SECTIONS 21.15.335, 21.15.442, 21.15.562, 21.15.635, 21.15.1792, 21.15.1793, 21.15.1795, 21.15.2008, 21.15.2009, 21.15.2225, 21.15.2401, AND 21.45.116, RELATED TO CHECK CASHING AND OTHER FINANCIAL USES

AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER