



Date: April 22, 2008
To: Mayor and Members of the City Council
From: Bonnie Lowenthal, Vice Mayor, Councilmember, 1st District *BL*
Suja Lowenthal, Councilmember, 2nd District *SL*
Subject: **Temporary Moratorium on Check-Cashing Facilities in PD30**

In an effort to control the proliferation of check-cashing and payday loan businesses, we would like to request a temporary moratorium prohibiting the approval of check-cashing facilities in the Downtown Planned Development District (PD30) for one year pending a study and recommendation from the Planning Commission to update the City's current zoning regulations pertaining to check-cashing facilities.

Currently, check cashing in PD30 is only permitted as an accessory use to a grocery store of at least 10,000 square feet, and then only in the East Village Mixed Use and Downtown Mixed Use Subareas.

Check-cashing and payday loan businesses are often focused in lower income neighborhoods. Increased growth of check-cashing and payday lender businesses can lead to the displacement of full service banking institutions, making access to traditional banking services even more difficult.

In order to protect the financial well-being of residents and prevent the propagation of economic blight, the City should study and enact new land use regulations to address the effects and potentially blighting impacts that check-cashing centers can have on the surrounding neighborhoods.

Recommendation:

Request that the City Attorney's office in cooperation with the Department of Development Services prepare an interim ordinance prohibiting the approval of any check-cashing facility, including those permitted as an accessory use, in PD30 for 1 year pending a study and recommendation from the Planning Commission to update the City's current zoning regulations pertaining to check-cashing facilities.