



CITY OF LONG BEACH

H-1

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 (562) 570-5237 Fax: (562) 570-6205

September 18, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive the supporting documentation into the record, conclude the public hearing, deny the appeal and uphold the decision of the Planning Commission approving a Conditional Use Permit to establish a consumer finance lender located at 2004 Ximeno Avenue, Suite 200, within the Community Automobile-Oriented (CCA) zoning district. (District 4)

DISCUSSION

A Conditional Use Permit application was received on March 28, 2012 to allow a consumer finance lender operation, located in a shopping center at 2004 Ximeno Avenue, Suite 200 (Exhibit A – Location Map). This site is zoned Community Automobile-Oriented District (CCA) and has a General Plan land use designation of Mixed Use (LUD #7). The proposed use would be located in a currently vacant lease space area at the northern corner of a one-story commercial building situated within the parking lot of this shopping center (Exhibit B – Plans & Photos).

The proposed commercial lending operation would involve unsecured short-term loans, with no title loans and no collateral held on any loans. Customers would pay only interest for the time the loan is outstanding on the principal amount with no prepayment penalty. Interest charges on a \$2,500 loan would be approximately \$14 per day and about \$400 per month. The proposed land use would not involve any check cashing or payday lending operations. The applicant (Dollar Loan Center of California) is a licensed lending institution subject to the California Finance Lenders Law.

A community meeting for this proposal was held on May 31, 2012 at the subject site. Approximately ten members of the public were in attendance. The public was able to walk through the lease space area to observe the proposed business layout and security measures. With the exception of one person who equated the business to a payday loan operation, there were no objections to this proposal.

In the July 19, 2012 Planning Commission staff report (Exhibit C – Planning Commission July 19, 2012 Staff Report with Conditions/Findings), staff found that the proposed use, subject to the recommended approval conditions, would not be detrimental to the surrounding community in terms of public health, safety, general welfare, environmental quality or quality of life. The proposed use was also found to be in compliance with all

applicable special conditions and development standards listed in Sections 21.52.208 and 21.52.212 of the City of Long Beach Municipal Code.

On July 19, 2012, after receiving public testimony, which included testimony in opposition from two people, and other evidence, the Planning Commission unanimously approved the Conditional Use Permit request, subject to conditions. The Planning Commission correctly understood that their role was limited to an analysis of potentially negative land use impacts associated with this business. They did not weigh in on the business practices of this type of use, as that was not their role. By approving the request for a Conditional Use Permit, the Planning Commission determined the use would not have a negative land use impact.

On July 25, 2012, an appeal was filed jointly by Lee Fukui and Mauna Eichner, requesting the City Council to overturn the Planning Commission decision and deny the Conditional Use Permit approval request (Exhibit D – Appeal). The reason given for filing this appeal is based on the view that the project involves predatory loans that are unregulated above \$2,500, with an APR of up to 202 percent, which are meant to trap borrowers in a cycle of debt with negative impacts to the local economy and neighborhoods, as well as, to the borrower's quality of life.

This matter was reviewed by Assistant City Attorney Charles Parkin and by Budget Management Officer Victoria Bell on August 31, 2012.

TIMING CONSIDERATIONS

The Municipal Code requires City Council action within 60 days of appeals filed on actions taken by the Planning Commission. The subject appeal was filed on July 25, 2012. A hearing date of September 18, 2012 would be within the 60 day time frame.

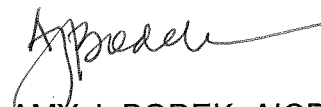
FISCAL IMPACT

There is no fiscal impact as a result of the recommended action. No construction beyond minor interior tenant improvements is needed to establish this commercial land use. Operations would involve two to four full-time employees.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER

AJB:DB:CC

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Attachments: EXHIBIT A- Location Map
EXHIBIT B- Plans & Photos
EXHIBIT C- Planning Commission July 19, 2012 Staff Report with Conditions/Findings
EXHIBIT D – Appeal

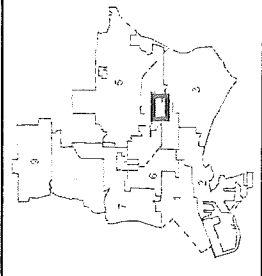
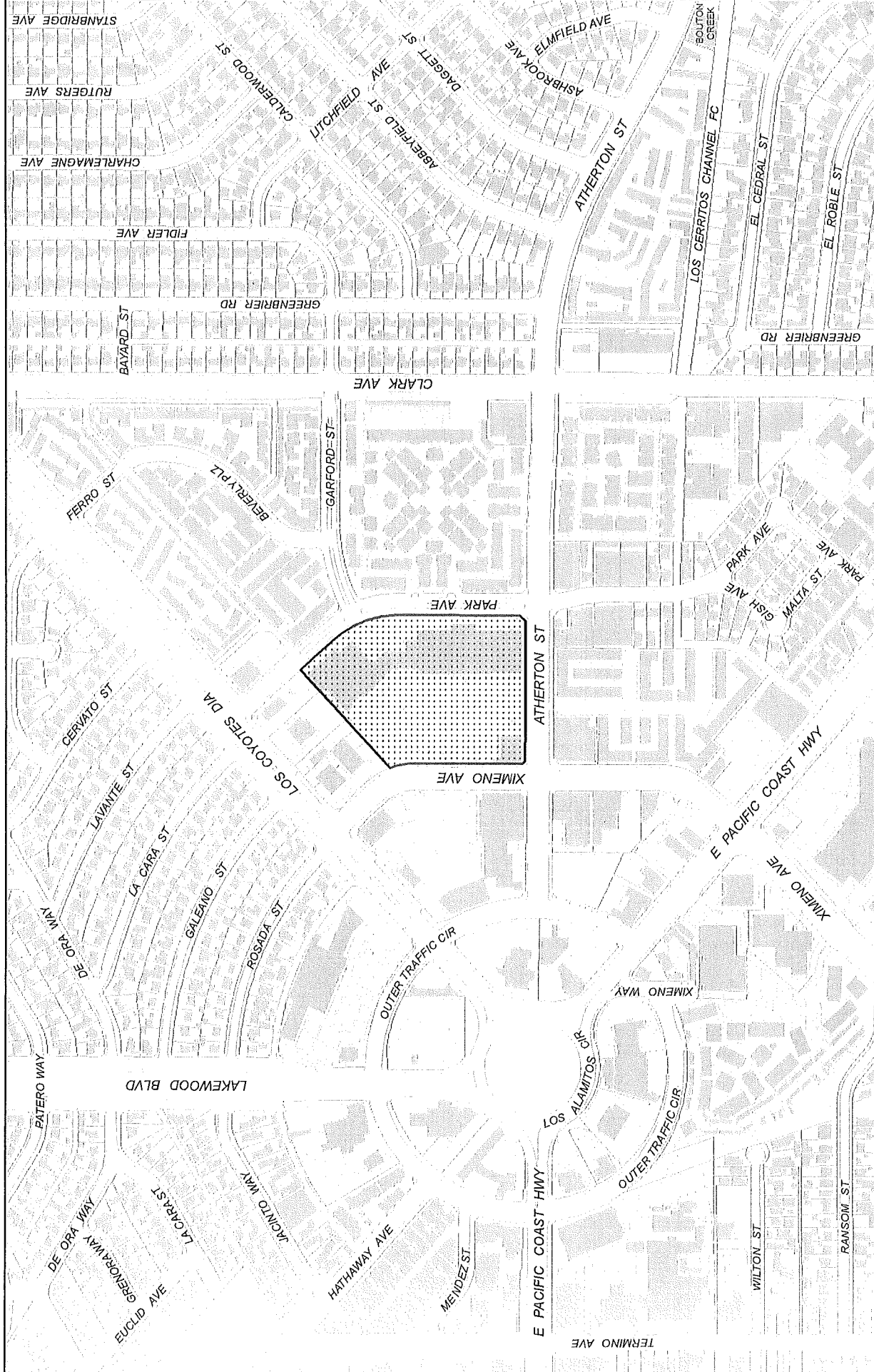


Exhibit A



Subject Property:
 2004 Ximeno Ave
 Application No. 1203-23
 Council District 4
 Zoning Code : CCA



Exhibit B

2004 Ximeno Ave. Long Beach, CA 90815

Each box equals 1'x1'.

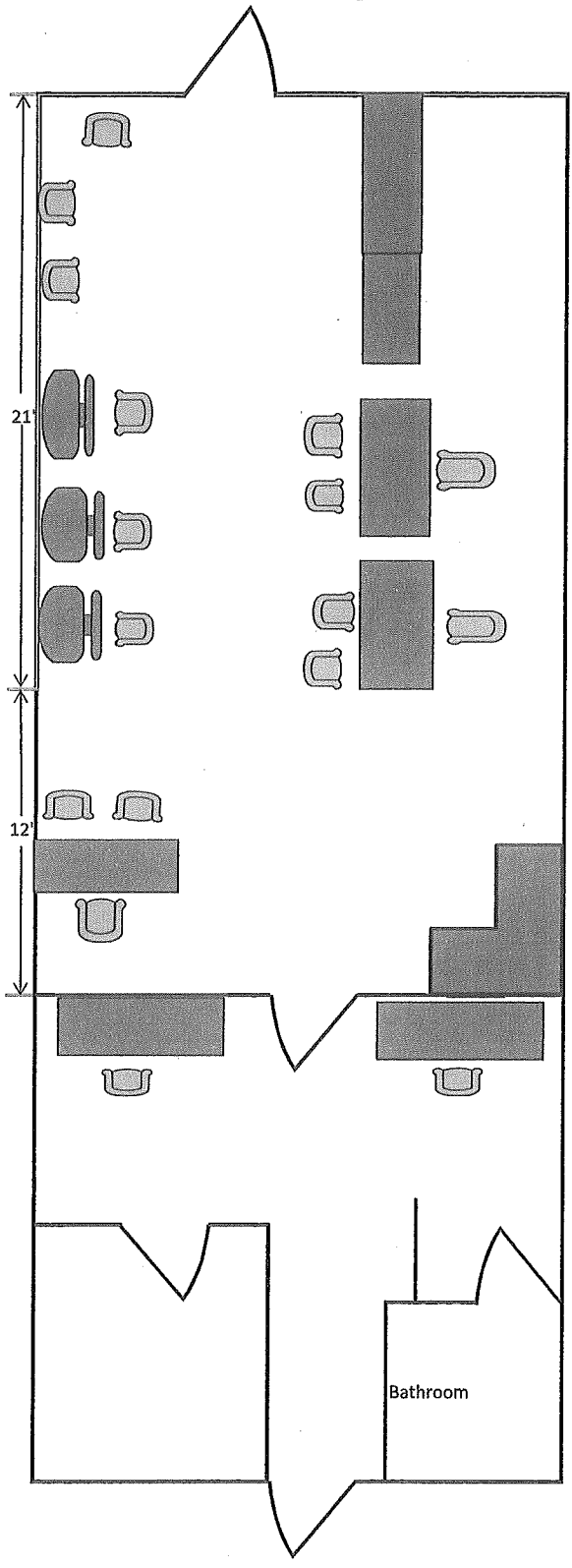


Exhibit B

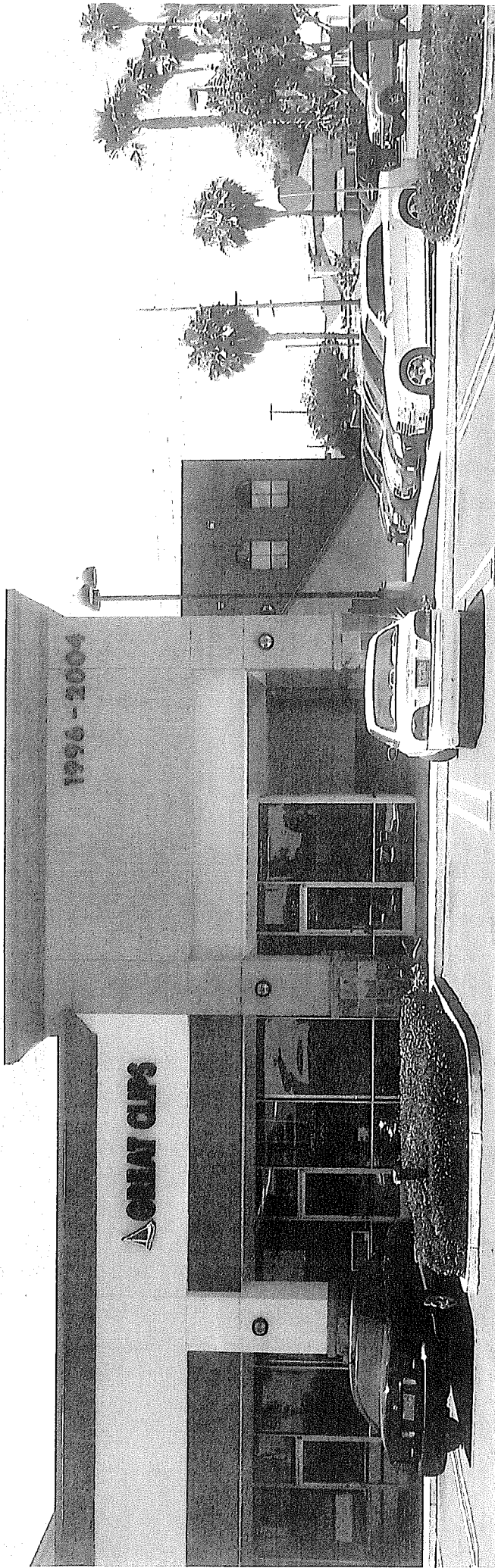




Exhibit B



Exhibit B



Exhibit B



**CITY OF LONG BEACH****EXHIBIT C**

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 5th Floor

Long Beach, CA 90802

(562) 570-6194

FAX (562) 570-6068

July 19, 2012

CHAIR AND PLANNING COMMISSIONERS
City of Long Beach
California

RECOMMENDATION:

Approve a Conditional Use Permit request to establish a consumer finance lender located at 2004 Ximeno Avenue, Suite 200, within the Community Automobile-Oriented (CCA) zoning district. (District 4)

APPLICANT: Dollar Loan Center of California
c/o Ernest Barela
8860 W. Sunset Road, Suite 100
Las Vegas, NV 89104
(Application No. 1203-23)

DISCUSSION

The project site is located at 2004 Ximeno Avenue, Suite 200 (Exhibit A – Location Map). This site is zoned Community Automobile-Oriented District (CCA) and has a General Plan land use designation of Mixed Use (LUD #7). The proposed use is to be located in a small lease space area (approximately 640 square feet) at the northern corner of a one story commercial building situated within the parking lot of the shopping center (Exhibit B – Plans & Photos).

The applicant is requesting approval of a Conditional Use Permit to allow a consumer finance lender operation involved in providing unsecured short-term loans of \$2,500 to individuals, with no title loans and no collateral held on any loans. Customers pay only interest for the time the loan is outstanding on the principal amount with no prepayment penalty. Interest charges are approximately \$14 per day and about \$400 per month. Loans are fully amortized, with each payment on principal reducing the amount of interest that accrues, and no balloon payment. The proposed operation does not involve any check cashing or payday lending. The lender is a licensed lending institution subject to the California Finance Lenders Law.

A community meeting on this project proposal was held on May 31, 2012 at the subject site. Approximately ten members of the public were in attendance. The public was able to walk through the improved suite to observe the proposed business layout and security

measures. With the exception of one person who equated the business to a payday loan operation, there were no objections to this proposal.

The project proposal is consistent with the required findings necessary to make a Conditional Use Permit approval recommendation (Exhibit C – Findings & Conditions). The subject site has a General Plan land use designation of LUD #7 Mixed Use, which is intended for large, vital multi-purpose activity centers such as shopping centers. This proposed land use meets the intent of LUD #7 by providing convenient financial services in a multi-use commercial activity center. The project site is located in the CCA commercial zoning district, which allows this type of consumer lending operation with approval of a Conditional Use Permit. The proposed use, subject to the recommended approval conditions, would not be detrimental to the surrounding community including the public health, safety, general welfare, environmental quality or quality of life. The proposed use is also in compliance with all applicable special conditions and development standards listed in Sections 21.52.208 and 21.52.212 of the City of Long Beach Municipal Code.

Based on the findings for this proposal, staff recommends approval subject to the attached conditions. These approval conditions require improvements to the subject site involving security cameras, interior security lighting, and adherence to any additional security measures deemed necessary by the Long Beach Police Department.

PUBLIC HEARING NOTICE

A Notice of Public Hearing was distributed on July 3, 2012 in accordance with the provision of the Zoning Ordinance. No comments have been received as of the preparation of this report.

ENVIRONMENTAL REVIEW

In accordance with the Guidelines for Implementation of the California Environmental Quality Act (CEQA), a Categorical Exemption (Exhibit D – Categorical Exemption 12-025) was issued for the proposed project.

Respectfully submitted,


DEREK BURNHAM
PLANNING ADMINISTRATOR


AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

AB:DB:CC

- Attachments:
- Exhibit A – Location Map
 - Exhibit B – Plans & Photos
 - Exhibit C – Findings & Conditions
 - Exhibit D – Categorical Exemption 12-025

**CONDITIONAL USE PERMIT
CONDITIONS OF APPROVAL**

2004 Ximeno Avenue, Suite 200

Application No. 1203-23

July 19, 2012

1. The use permitted by the subject Conditional Use Permit, in addition to other uses permitted in the CCA zoning district, shall be a consumer finance lender for short-term loans with no check cashing or payday lending activities.
2. This permit and all development rights hereunder shall terminate one year from the effective date of this permit unless construction is commenced or a time extension is granted, based on a written request submitted to and approved by the Zoning Administrator prior to the expiration of the one year period as provided in Section 21.21.406 of the Long Beach Municipal Code.
3. This permit shall be invalid if the owner(s) and/or applicant(s) have failed to return written acknowledgment of their acceptance of the conditions of approval on the *Conditions of Approval Acknowledgment Form* supplied by the Planning Bureau. This acknowledgment must be submitted within 30 days from the effective date of approval (final action date or, if in the appealable area of the Coastal Zone, 21 days after the local final action date).

Special Conditions:

4. Exterior phones, security bars and roll up doors shall be prohibited.
5. Security cameras shall be placed inside and outside the building to the satisfaction of the Long Beach Police Department. The security system shall be approved to the satisfaction of the Long Beach Police Department, prior to the installation.
6. The applicant shall maintain a customer waiting/service area of sufficient size to fully accommodate anticipated queuing lines. If more than three customers are in line, a new customer line shall be opened and serviced.
7. The Department of Development Services and the Long Beach Police Department shall have the authority to review the site for security problems, and said departments shall have the power to require additional security measures including, but not limited to, security guards, security cameras, and additional security lighting if problems develop at the site. A review of crime shall take place annually.
8. Windows shall not be obscured by placement of signs, dark window tinting, shelving, racks or similar obstructions. Signage in excess of 10 percent of the area of any window shall be prohibited.

9. Interior lighting sufficient to provide clear visibility into the interior of this lease space and shall be maintained during all non-business hours to allow for adequate security surveillance as deemed necessary by the Long Beach Police Department.
10. A detailed, complete and unambiguous schedule of all fees in English, Spanish and Tagalog shall be posted in a location that can be easily read by the public. The information shall be clear and legible, and consist of letters not less than 1/8- inch in size.
11. All graffiti shall be removed from walls, rooftop enclosures and signs within a 24-hour period of its appearance.
12. The hours of operation for this consumer finance lender shall be from 9:00 a.m. to 6:00 p.m. Monday through Friday, and from 10:00 a.m. to 2:00 p.m. on Saturday.

Standard Conditions:

13. If, for any reason, there is a violation of any of the conditions of this permit or if the use/operation is found to be detrimental to the surrounding community, including public health, safety or general welfare, environmental quality or quality of life, such shall cause the City to initiate revocation and termination procedures of all rights granted herewith.
14. In the event of transfer of ownership of the property involved in this application, the new owner shall be fully informed of the permitted use and development of said property as set forth by this permit together with all conditions that are a part thereof. These specific requirements must be recorded with all title conveyance documents at time of closing escrow.
15. This approval is required to comply with these conditions of approval as long as the use is on the subject site. As such, the site shall allow periodic re-inspections, at the discretion of City officials, to verify compliance. The property owner shall reimburse the City for the inspection cost as per the special building inspection specifications established by City Council (Sec. 21.25.412, 21.25.212).
16. The Director of Development Services is authorized to make minor modifications to the approved design plans or to any of the conditions of approval if such modifications shall not significantly change/alter the approved design/project. Any major modifications shall be reviewed by the Zoning Administrator or Planning Commission, respectively.
17. Demolition, site preparation, and construction activities are limited to the following (except for the pouring of concrete which may occur as needed):
 - a. Weekdays and federal holidays: 7:00 a.m. to 7:00 p.m.;
 - b. Saturday: 9:00 a.m. - 6:00 p.m.; and
 - c. Sundays: not allowed

18. The applicant shall defend, indemnify, and hold harmless the City of Long Beach, its agents, officers, and employees from any claim, action, or proceeding against the City of Long Beach or its agents, officers, or employees brought to attack, set aside, void, or annul an approval of the City of Long Beach, its advisory agencies, commissions, or legislative body concerning this project. The City of Long Beach will promptly notify the applicant of any such claim, action, or proceeding against the City of Long Beach and will cooperate fully in the defense. If the City of Long Beach fails to promptly notify the applicant of any such claim, action or proceeding or fails to cooperate fully in the defense, the applicant shall not, thereafter, be responsible to defend, indemnify, or hold harmless the City of Long Beach.

CONDITIONAL USE PERMIT FINDINGS

2004 Ximeno Avenue, Suite 200

Application No. 1203-23

July 19, 2012

Pursuant to Section 21.25.206 of the Long Beach Municipal Code, a Conditional Use Permit can be granted only when positive findings are made consistent with the following criteria set forth in the Zoning Ordinance. These findings and staff analysis are presented for consideration, adoption and incorporation into the record of proceedings:

- 1. THE APPROVAL IS CONSISTENT WITH AND CARRIES OUT THE GENERAL PLAN, ANY APPLICABLE SPECIFIC PLANS SUCH AS THE LOCAL COASTAL PROGRAM AND ALL ZONING REGULATIONS OF THE APPLICABLE DISTRICT;**

The project site is located in General Plan Land Use District #7 – Mixed Use. LUD #7 is intended for large, vital multi-purpose activity centers such as the shopping center location of this project site. Various land uses intended for this district include retail, restaurant, offices, visitor-serving facilities, and personal and professional services. This proposed consumer finance lender meets the intent of LUD #7 by providing convenient financial services in a multi-use commercial activity center.

The zoning classification for this project site is CCA Community Automobile-Oriented District. The CCA zoning district permits retail and service uses for an entire community including convenience and comparison shopping goods and associated services. The proposed consumer finance lender is permitted in the CCA district with the approval of a Conditional Use Permit. Therefore, approval of this project would be consistent with the General Plan and the zoning regulations. The project site is not in the Coastal Zone and there are no specific plans or zoning overlay zones applicable to this site.

- 2. THE PROPOSED USE WILL NOT BE DETRIMENTAL TO THE SURROUNDING COMMUNITY INCLUDING PUBLIC HEALTH, SAFETY, GENERAL WELFARE, ENVIRONMENTAL QUALITY OR QUALITY OF LIFE; AND**

With the incorporation of conditions of approval, which includes security cameras, security lighting, window visibility, and Police review of security measures, the use will not be detrimental to the surrounding community. Thus, no public health, safety, general welfare, environmental quality, or quality of life impacts are foreseen for this project.

3. THE APPROVAL IS IN COMPLIANCE WITH THE SPECIAL CONDITIONS FOR THE USE ENUMERATED IN CHAPTER 21.52.

While none of the provisions of Chapter 21.52 of the Long Beach Municipal Code were specifically intended for this type of consumer finance lender, portions of certain sections of this Chapter that are for other types of financial services would apply as follows:

Section 21.52.208 Bank, credit union, savings and loan.

A. The project must comply with Section 21.32.230 Design of Buildings.

This provision applies only to new or remodeled commercial buildings. The project does not involve any new building construction or remodel of the existing building exterior, but rather only interior modifications to the project lease space area. Therefore, this provision does not apply to this project.

B. Drive-thru windows or drive-thru automated teller machines are prohibited.

No drive-thru windows or drive-thru automated teller machines are permitted as part of this project.

C. No new curb cuts shall be permitted for a new or existing bank, credit union, or savings and loan in Local Coastal Planning Area D (Second Street, between Livingston and Bayshore).

The project site is not located in Local Coastal Planning Area D.

D. Interior and exterior lighting, window displays, and other architectural features shall be included in the project street frontage to provide pedestrian interest during non-operational hours.

The approval conditions include a requirement for interior security lighting during non-operational hours. The project lease space area does not have street frontage and adequate exterior lighting exists in the shopping center for pedestrian interest in the project site during non-operational hours.

E. Projects in the Local Coastal Planning Area D (Second Street, between Livingston and Bayshore) that qualify for the one-half rate parking standard pursuant to Section 21.41.226.A shall make their parking facilities available for public parking during non-operational hours.

The project site is not located in Local Coastal Planning Area D.

Section 21.52.212 Check Cashing.

- A. Off street parking for check cashing businesses shall be the same as for banks and savings and loans as required by Chapter 21.41.**

The project is not a check cashing business and check cashing is specifically prohibited as part of the conditions of approval.

- B. If established in an existing shopping center, off street parking shall be provided as required for a shopping center by Chapter 21.41.**

The project site is an existing lease space in an existing shopping center. No new expansion of shopping center floor area or removal of any existing shopping center on-site parking spaces would result from this project. Therefore, the existing on-site parking areas for this shopping center would not be altered by this project.

- C. Windows shall not be obscured by placement of signs, dark window tinting, shelving, racks or similar obstructions.**

The subject site has storefront windows and the conditions of approval include a requirement (Condition #8) that windows shall not be obscured by placement of signs, dark window tinting, shelving, racks or similar obstructions. This condition also prohibits signage in excess of 10% of the area of any window.

- D. Exterior phones, security bars and roll up doors shall be prohibited.**

The conditions of approval prohibit exterior phones, security bars and roll up doors (Condition #4).

- E. The floor plan shall include a customer waiting/service area of sufficient size to fully accommodate anticipated queuing lines. Such waiting/service area shall provide not less than fifty (50) square feet for each teller window.**

The conditions of approval require the applicant to maintain a customer waiting/service area of sufficient size to fully accommodate anticipated queuing lines and to open a new customer line if more than three customers are in line (Condition #6). No teller windows are included in the interior floor layout.

- F. The hours of operation shall be stated in the application and shall be subject to review.**

The hours of operation for this consumer finance lender shall be from 9:00 a.m. to 6:00 p.m. Monday through Friday, and from 10:00 a.m. to 2:00 p.m. on Saturday (Condition #12).



CITY OF LONG BEACH

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 5th Floor Long Beach, CA 90802 (562) 570-6194 FAX (562) 570-6068

PLANNING BUREAU

APPLICATION FOR APPEAL

An appeal is hereby made to Your Honorable Body from the decision of the

<input type="checkbox"/> Zoning Administrator	on the <u>19</u> day of <u>July</u> , 20 <u>12</u>
<input checked="" type="checkbox"/> Planning Commission	
<input type="checkbox"/> Cultural Heritage Commission	
<input type="checkbox"/> Site Plan Review Committee	

Project Address: 2004 XIMENO AVENUE, SUITE 200 (DOLLAR LOAN CENTER)

Reasons for Appeal: THESE TYPES OF PREDATORY LOANS ARE UNREGULATED ABOVE \$2,500 WITH A HIGH 20% APR (14 PER DAY). THESE LOANS ARE DESIGNED TO TRAP BORROWERS IN A CYCLE OF DEBT. THIS WILL HAVE A COSTLY EFFECT ON THE LOCAL ECONOMY, DEGRADES THE QUALITY OF LIFE FOR THE BORROWER AND NEGATIVELY IMPACTS THE NEIGHBORHOODS.

Your appellant herein respectfully requests that Your Honorable Body reject the decision and Approve / Deny this application.

	Appellant 1	Appellant 2
Name:	<u>LEE FUKUI</u>	<u>MAUNA EICHNER</u>
Organization:		
Address:	<u>2925 CEDAR AVE</u>	<u>same</u>
City/ZIP:	<u>LONG BEACH, 90806</u>	<u>same</u>
Phone:	<u>562-595-7205</u>	<u>same</u>
Signature:	<u>[Signature]</u>	<u>Marya Gisher</u>
Date:	<u>7/25/12</u>	<u>7/25/12</u>

- A separate appeal form is required for each appellant party, except for appellants from the same address, or those representing an organization.
- Appeals must be filed within 10 days after the decision is made (LBMC 21.21.502).
- You must have established *aggrieved* status by presenting oral or written testimony at the hearing where the decision was rendered; otherwise, you may not appeal the decision.
- See reverse of this form for the statutory provisions on the appeal process.

(Below This Line for Staff Use Only)

Appeal by Applicant, or Appeal by Third Party

Received by: [Signature] App. No.: 1203-23 Filing Date: 7/25/2012
 Fee: 55 Fee Paid Project (receipt) No.: 0200 28129