

## **ANALYSIS**

This ordinance amends the Los Angeles County Code, Title 22 – Planning and Zoning, to implement the Alternative Financial Services Ordinance which defines and establishes performance and development standards for alternative financial services in the unincorporated areas of the County.

Very truly yours,

RODRIGO A. CASTRO-SILVA  
County Counsel

By

LISA C. JACOBS  
Deputy County Counsel  
Property Division

LJ:bh

Requested: 11-16-2020

Revised: 02-03-2021

**ORDINANCE NO. 2021-0011**

An ordinance amending Title 22 – Planning and Zoning of the Los Angeles County Code, relating to the Alternative Financial Services Ordinance which defines and establishes performance and development standards for alternative financial services in the unincorporated areas of the County.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 22.14.010 is hereby amended to read as follows:

**22.14.010            A.**

. . .

Alternative Financial Services. The following terms are defined solely for Section 22.140.690 (Alternative Financial Services):

Alternative financial service. A use that charges a percentage fee to provide a loan or cash a check. This term includes, but is not limited to, deferred deposit transaction (payday) lender, check casher, and motor vehicle (auto) title lenders. This term shall not include a check cashing service or any state or federally chartered bank, credit union, mortgage lender, savings and loan association, industrial loan company, or non-profit financial institution.

Bank. This term shall have the same meaning as set forth in section 1561 of the California Financial Code.

Check casher. A business that for compensation engages, in whole or in part, in the cashing of checks, warrants, drafts, money orders, or other commercial paper serving the same purpose. This term shall not include a check cashing service or

any state or federally chartered bank, credit union, mortgage lender, savings and loan association, industrial loan company, or non-profit financial institution.

Check cashing service. A retail seller engaged primarily in the business of selling consumer goods, including consumables, to retail buyers, that cashes checks or issues money orders for a fee not exceeding two dollars (\$2) as a service to its customers that is incidental to its main business purpose.

Credit union. This term shall have the same meaning as set forth in section 14002 of the California Financial Code.

Deferred deposit transaction (payday) lender. An individual or corporation licensed by the commissioner of the California Department of Business Oversight that: engages in the business of selling checks, drafts or money orders; receives money as an agent of a customer bound by contract for the purpose of paying bills, invoices or accounts of such customer; or accepts money in payment of utility bills, unless acting as an authorized agent for a utility company.

Industrial loan company. This term shall have the same meaning as set forth in section 18003 of the California Financial Code.

Mortgage lender. A bank or trust company, mortgage banker, state or federally chartered savings and loan association, service corporation, or other financial institution or governmental agency which is deemed capable of providing service or otherwise aiding in the financing of construction loans and mortgage loans.

Motor vehicle (auto) title lender. A business that grants a short-term loan to a borrower in exchange for repaying the principal amount borrowed plus interest. To

obtain the loan, the borrower offers the title to their car, motorcycle, mobile home, truck, van, or other vehicle operated on public highways and streets, as collateral should the borrower default in repaying the loan within the agreed upon time.

Savings and loan association. This term shall have the same meaning as an "eligible savings and loan association" as set forth in section 16600 of the California Government Code.

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**SECTION 2.** Section 22.16.030 is hereby amended to read as follows:

**22.16.030 Land Use Regulations for Zones A-1, A-2, O-S, R-R, and**

**W.**

...

C. Use Regulations.

1. Principal Uses. Table 22.16.030-B, below, identifies the permit or review required to establish each principal use.

TABLE 22.16.030-B: PRINCIPAL USE REGULATIONS FOR AGRICULTURAL, OPEN SPACE, RESORT AND RECREATION, AND WATERSHED ZONES						
	A-1	A-2	O-S	R-R	W	Additional Regulations
...						
Service Uses						
<u>Alternative financial services</u>	-	-	-	-	-	<u>Section 22.140.690</u>
Barber shops	-	-	-	CUP <sup>4,9</sup>	-	
...	...	...	...	...	...	...

...

**SECTION 3.** Section 22.18.030 is hereby amended to read as follows:

**22.18.030 Land Use Regulations for Zones R-A, R-1, R-2, R-3, R-4, and R-5.**

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C. Use Regulations.

1. Principal Uses. Table 22.18.030-B, below, identifies the permit or review required to establish each principal use.

TABLE 22.18.030-B: PRINCIPAL USE REGULATIONS FOR RESIDENTIAL ZONES							
	R-A	R-1	R-2	R-3	R-4	R-5	Additional Regulations
...							
Service Uses							
<u>Alternative financial services</u>	=	=	=	=	=	=	<u>Section 22.140.690</u>
Cemeteries	CEM	CEM	CEM	CEM	CEM	-	
...	...	...	...	...	...	...	...

...

**SECTION 4.** Section 22.20.030 is hereby amended to read as follows:

**22.20.030 Land Use Regulations for Zones C-H, C-1, C-2, C-3, C-M, C-MJ, and C-R.**

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C. Use Regulations.

1. Principal Uses. Table 22.20.030-B, below, identifies the permit or review required to establish each principal use.

TABLE 22.20.030-B: PRINCIPAL USE REGULATIONS FOR COMMERCIAL ZONES								
	C-H	C-1	C-2	C-3	C-M	C-MJ	C-R	Additional Regulations
...								
Service Uses								
Alcohol beverage sales, for on-site consumption	-	CUP	CUP	CUP	CUP	CUP	CUP	Section 22.140.030
<u>Alternative financial services</u>	=	=	=	<u>CUP</u>	<u>CUP</u>	=	=	<u>Section 22.140.690</u>
...	...	...	...	...	...	...	...	...

...

**SECTION 5.** Section 22.22.030 is hereby amended to read as follows:

**22.22.030 Land Use Regulations for Zones M-1, M-1.5, M-2, and M-2.5.**

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C. Use Regulations.

1. Principal Uses. Table 22.22.030-B, below, identifies the permit or review required to establish each principal use.

TABLE 22.22.030-B: PRINCIPAL USE REGULATIONS FOR INDUSTRIAL ZONES					
	M-1	M-1.5	M-2	M-2.5	Additional Regulations
...					
Service Uses					
Alcohol beverage sales, for on-site consumption	CUP	CUP	CUP	CUP	Section 22.140.030
<u>Alternative financial services</u>	<u>SPR</u>	<u>SPR</u>	<u>SPR</u>	=	<u>Section 22.140.690</u>
...	...	...	...	...	...

...

**SECTION 6.** Section 22.24.030 is hereby amended to read as follows:

**22.24.030 Land Use Regulations for Rural Zones.**

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C. Use Regulations.

1. Principal Uses. Table 22.24.030-B, below, identifies the permit or review required to establish each principal use.

TABLE 22.24.030-B: PRINCIPAL USE REGULATIONS FOR RURAL ZONES			
	C-RU	MXD-RU	Additional Regulations
...			
Service Uses			
Alcohol beverage sales, for on-site consumption	CUP	CUP	Section 22.140.030
<u>Alternative financial services</u>	=	=	<u>Section 22.140.690</u>
...	...	...	...

...

**SECTION 7.** Section 22.26.020 is hereby amended to read as follows:

**22.26.020 Institutional Zone.**

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B. Land Use Regulations.

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3. Use Regulations.

a. Principal Uses. Table 22.26.020-B, below, identifies the permit or review required to establish each use.

TABLE 22.26.020-B: LAND USE REGULATIONS FOR ZONE IT

		Additional Regulations
...		
Service Uses		
<u>Alternative financial services</u>	=	<u>Section 22.140.690</u>
...	...	...

...

**SECTION 8.** Section 22.26.030 is hereby amended to read as follows:

**22.26.030 Mixed Use Development Zone.**

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B. Land Use Regulations.

...

3. Use Regulations.

a. Principal Uses.

i. Table 22.26.030-B, below, identifies the permit or review required to establish each principal use.

TABLE 22.26.030-B: PRINCIPAL USE REGULATIONS FOR ZONE MXD		
		Additional Regulations
...		
Service Uses		
Alcohol beverage sales, for on-site consumption	CUP	Section 22.140.030
<u>Alternative financial services</u>	=	<u>Section 22.140.690</u>
...	...	...

ii. Table 22.26.030-C, below, identifies the permit or review required to establish each principal use. These uses may be established in commercial-only development projects or properties.

TABLE 22.26.030-C: PRINCIPAL LAND USE REGULATIONS FOR ZONE MXD IN COMMERCIAL-ONLY DEVELOPMENT PROJECTS OR PROPERTIES		
		Additional Regulations
...		
Service Uses		
<u>Alternative financial services</u>	=	<u>Section 22.140.690</u>
...		...

...

**SECTION 9.** Section 22.26.050 is hereby amended to read as follows:

**22.26.050 Scientific Research and Development Zone.**

A. Land Use Regulations.

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3. Use Regulations.

a. Principal Uses. Table 22.26.050-B, below, identifies the permit or review required to establish each principal use.

TABLE 22.26.050-B: PRINCIPAL USE REGULATIONS FOR ZONE SR-D		
Use Category		Additional Regulations
...		
Service Uses		
<u>Alternative financial services</u>	=	<u>Section 22.140.690</u>
...		...

...

**SECTION 10.** Section 22.26.060 is hereby amended to read as follows:

**22.26.060 Parking Restricted Zone.**

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B. Land Use Regulations.

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3. Use Regulations.

a. Principal Uses. Table 22.26.060-B, below, identifies the permit or review required to establish each principal use.

TABLE 22.26.060-B: PRINCIPAL USE REGULATIONS FOR ZONE P-R		
		Additional Regulations
<u>Alternative financial services</u>	-	<u>Section 22.140.690</u>
...		

...

**SECTION 11.** Section 22.60.030 is hereby amended to read as follows:

**22.60.030 Prohibited Uses.**

In addition to uses listed in Section 22.22.030.E (Prohibited Uses), premises in Zone ( )-IP shall not be used for the following uses listed in Table 22.60.030-A:

TABLE 22.60.030-A: USES PROHIBITED IN ZONE ( )-IP	
<u>Alternative financial services</u>	<u>Ice cream shops</u>
...	

**SECTION 12.** Section 22.140.690 is hereby added to read as follows:

**22.140.690 Alternative Financial Services**

A. Purpose. This Section establishes standards for alternative financial services, which may have a detrimental effect on the health, safety, or welfare of the

community, to minimize overconcentration while permitting these activities in specific Commercial and Industrial Zones.

B. Definitions. Specific terms used in this Section are defined in Section 22.14.010 of Division 2 (Definitions), under "Alternative Financial Services."

C. Applicability. This Section applies to alternative financial services in Zones C-3, C-M, M-1, M-1.5, and M-2.

D. Prohibited Areas. Alternative financial services are prohibited within any area regulated by a Specific Plan.

E. Existing Uses.

1. Alternative financial services that were lawfully existing as of (effective date of the ordinance to be inputted here), the effective date of this Section, may remain in their present condition, subject to the provisions of Chapter 22.172 (Nonconforming Uses, Buildings, and Structures).

2. Alternative financial services that were lawfully existing as of (effective date of the ordinance to be inputted here), the effective date of this Section, may be enlarged, expanded, or relocated only if the business is brought into compliance with the development and performance standards of this Section.

F. Application Requirements.

1. Ministerial Site Plan Review. A Ministerial Site Plan Review (Chapter 22.186) application is required for alternative financial services in Zones M-1, M-1.5, and M-2.

2. Conditional Use Permit.

a. Application. A Conditional Use Permit (Chapter 22.158) application is required for alternative financial services in Zones C-3 and C-M.

b. Additional Findings.

i. The requested use at the proposed location will not adversely affect the economic welfare of the nearby community.

ii. When an alternative financial service is located within 1,320 feet of another alternative financial service, a finding of public convenience or necessity shall be made based upon review and consideration of relevant factors, which shall include, but not be limited to, the following:

(1) The extent to which the requested use would duplicate services and, therefore, contribute to an over-concentration of similar uses;

(2) The extent to which the requested use will enhance the economic viability of the area;

(3) The ability of the requested use to serve a portion of the market not served by other uses in the area; and

(4) The extent to which the requested use, location, surrounding area, and/or operator has a history of law enforcement problems.

G. Additional Application Materials. In addition to any information required by this Title 22, an application for an alternative financial service shall include a site plan depicting the location of all businesses within a 1,320 foot radius of the subject property.

H. Development Standards. Alternative financial services shall comply with the following development standards:

1. Buffer. The property boundary of an alternative financial service shall be a minimum of 1,320 feet from the property boundary of all other alternative financial services.

2. Sign Requirements. Alternative financial services shall post their loan rates in multiple languages including, but not limited to, English, Spanish, Korean, Chinese, Armenian, and Tagalog, adjacent to the customer service window using a letter height of not less than one-half inch.

I. Performance Standards. Alternative financial services shall comply with the following performance standards:

1. Hours of Operation. All alternative financial service activities shall be confined to the hours between 8:00 a.m. and 8:00 p.m., daily.

2. Security.

a. Security bars and accordion folding grilles installed on the exterior of a storefront are prohibited.

b. Exterior cashier windows are prohibited.

c. Building security grilles may be placed within the interior of the building if the grilles are concealed so that they are not visible from the exterior of the building when not in use during business hours.

d. Video security cameras shall be installed to monitor the customer service area and exterior areas surrounding the business. The cameras shall

record video for a minimum of 30 days and be available to law enforcement officers upon request.

[2214010AFSSCCC]

**SECTION 13** This ordinance shall be published in The Daily Commerce a newspaper printed and published in the County of Los Angeles.



\_\_\_\_\_  
Chair

ATTEST:

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Celia Zavala  
Executive Officer -  
Clerk of the Board of Supervisors  
County of Los Angeles

I hereby certify that at its meeting of March 9, 2021 the foregoing ordinance was adopted by the Board of Supervisors of said County of Los Angeles by the following vote, to wit:

Ayes

Supervisors Hilda L. Solis  
Holly J. Mitchell  
Sheila Kuehl  
Janice Hahn  
Kathryn Barger

Noes

Supervisors None  
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\_\_\_\_\_  
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Effective Date: April 8, 2021

~~Operative Date:~~ \_\_\_\_\_

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Celia Zavala  
Executive Officer -  
Clerk of the Board of Supervisors  
County of Los Angeles



APPROVED AS TO FORM:  
RODRIGO A. CASTRO-SILVA  
County Counsel

By \_\_\_\_\_  
Lester J. Tolnai  
Chief Deputy County Counsel