

ORDINANCE NO. 1382

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY
AMENDING TITLE 17, ZONING ORDINANCE OF THE DALY CITY MUNICIPAL CODE
RE: PAYDAY LENDING ESTABLISHMENTS

WHEREAS, California law permits deferred deposit transactions, in which the lender defers depositing a customer's personal check of electronically accessing a bank account until a specific date, for a fee or other charge; and

WHEREAS, Deferred Deposit Originators, known as Payday Lending Establishments are licensed by the California Department of Business Oversight pursuant to California Financial Code § 23000, *et seq.*; and

WHEREAS, the fees charged by Payday Lending Establishments are not considered interest and are allowed to be in excess of the annual percentage rate when compared to traditional banking transactions; and

WHEREAS, consumers of Payday Lending Establishments who are unable to repay the loan in the time allowed can become repeat borrowers, thus preventing those consumers from spending funds committed to payday lending fees on good with the local economy; and

WHEREAS, there is currently no known procedure wherein California Department of Business Oversight notifies the City of Daly City prior to issuing a license for Payday Lending Establishment; and

WHEREAS, the current Zoning Ordinance for the City of Daly City does not contain particular provisions related to Payday Lending Establishments; and

WHEREAS, pursuant to California Government Code Section 65850, the City Council of the City of Daly City has the authority to regulate the use of buildings, structures, and land within the City; and

WHEREAS, the City Council desires to formally define Payday Lending Establishments within the Zoning Ordinance and ensure that Payday Lending Establishments are located in areas where their use will be consistent with existing uses in the underlying zoning district and to prevent over-concentration of Payday Lending Establishments.

NOW, THEREFORE, The City Council of the City of Daly City, County of San Mateo, State of California, ORDAINS as follows:

SECTION 1: Section 17.04.010 of Title 17 of the Daly City Municipal Code is hereby amended to add the definition of "Payday Lending Establishment" to read as follows:

"Payday Lending Establishment" means any person or entity that offers, originates, or makes a deferred deposit transaction, whereby a person or entity defers depositing a customer's personal check until a specific date, pursuant to a written agreement. Payday Lending Establishment is equivalent to a "Deferred Deposit Originator" as defined in the California

Financial Code section 23001(f), as may be amended. Payday Loan Establishment does not include a state or federally chartered bank, thrift, savings association, industrial loan company, or credit union.

SECTION 2: Section 17.16.010 of the Daly City Municipal Code is hereby amended to add "Payday Lending Establishment" to 17.16.010(A), to read as follows:

17.16.010 Table of Uses

- A. Administrative, business and professional offices
Banks and savings and loan offices
Bail bonding establishments
Finance companies
Payday Lending Establishment
Telegraph offices
Title companies
Travel agencies
Public uses

SECTION 3: Section 17.17 of Title 17 of the Daly City Municipal Code is hereby amended to add "Payday Lending Establishment" to 17.17.010(A) to read as follows:

17.17.010 Table of Uses

- A. Uses Permitted.
1. Permitted Uses:
Class A office space;
Financial Institutions;
Payday Lending Establishment;
Research and Development;
Administrative, business and professional offices;
Convenience retail, ground level, as allowed in the specific plan.

SECTION 4: Section 17.18 of Title 17 of the Daly City Municipal Code is hereby amended to add "Payday Lending Establishment" to 17.18.010(A) to read as follows:

17.18.010 Table of Uses

- A. Art studio, bakery (retail), bank, barber or beauty shop, book or stationery store, business office, clothing or department store, drugstore, retail electrical and household appliance sales and services, florist, grocery store, hardware store, health studio, laundry or cleaning agency (retail), liquor store, manufacturing and assembly of electronic and scientific equipment which requires no use of chemicals, photographic studio, payday lending establishment, restaurant (excluding drive-in), shoe repair, tailor shop, trade or business school, uses permitted in R-4 district, except dwellings or any commercial developments in the coastal zone.

SECTION 5: Chapter 17.21 of Title 17 of the Daly City Municipal Code is hereby amended to add "Payday Loan Business" to Section 17.21.030, Table C-R/O, Table C-O and Table C-N, to read as follows:

17.21.030 Specific plan designations and regulations

Table C-R/O
Retail and Office Commercial

B. Medical, dental and health services, banks and financial institutions, real estate and insurance offices, legal offices, payday lending establishments, printing and photocopying services, administrative, business and professional offices.

Table C-O
Office Commercial

A. Administrative, business and professional offices, banks and financial institutions, payday lending establishments, real estate and title company offices, travel agencies, photocopying services.

Table C-N
Neighborhood Commercial

B. Medical, dental and health services, banks and financial institutions, legal offices, printing and photocopying services, business services (i.e. tax services), payday lending establishments, real estate offices and insurance offices.

SECTION 6: Section 17.40.080 of Title 17 of the Daly City Municipal Code is hereby added to read as follows:

17.40.080 Locational Standards for Payday Lending Establishments and similar uses

Payday Lending Establishments, or similar uses, shall be separated by at least 2,000 feet, as measured directly from the property line to property line, from any parcel on which an existing Payday Lending Establishment is located.

SECTION 7: Severability: If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Daly City hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION 8: Environmental Determination: The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378, that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project as provided by the Act, in that it does not have a potential for resulting in a detrimental physical

change in the environment, directly or ultimately, as provided in Title 14, Section 15378(a), and that it is also exempt under the definition of "project" in Section 15378(b)(3) in that it concern general policy and procedure making. It is also exempt under CEQA Guidelines Section 15061(b)(3).

SECTION 9: Effective Date and Publication: This Ordinance shall be in full force and effect thirty (30) days from and after its passage. This Ordinance shall be published according to law.

Introduced this 14th day of July, 2014.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the 11th day of August, 2014, by the following vote:

AYES, Councilmembers Buenaventura, Guingona, Klatt

Torres, Canepa

NOES, Councilmembers None

Absent, Councilmembers: None

R. Annette Hipona
CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

DAVID J. CANEPA
MAYOR OF THE CITY OF DALY CITY