



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Planning and Building



**Date:** June 11, 2012  
**Board Meeting Date:** June 26, 2012  
**Special Notice / Hearing:** 10 days; newspaper  
notice/interested  
parties  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Jim Eggemeyer, Community Development Director

**Subject:** EXECUTIVE SUMMARY: Adopt a Resolution and Ordinance amending Chapter 1 (General Provisions), Chapter 15 (Neighborhood Business Districts), and Chapter 16 (General Commercial Districts) of the County Ordinance Code (Zoning Regulations) to add “Non-Chartered Financial Institutions” as a use requiring a Use Permit, and establishing performance criteria for said permits.

**RECOMMENDATION:**

1. Adopt a Resolution amending Chapter 1 (General Provisions), Chapter 15 (Neighborhood Business Districts), and Chapter 16 (General Commercial Districts) of the County Ordinance Code (Zoning Regulations) to add “Non-Chartered Financial Institutions” as a use requiring a Use Permit, and establishing performance criteria for said permits.
2. Adopt an Ordinance amending Chapter 1 (General Provisions), Chapter 15 (Neighborhood Business Districts), and Chapter 16 (General Commercial Districts) of the County Ordinance Code (Zoning Regulations) to add “Non-Chartered Financial Institutions” as a use requiring a Use Permit, and establishing performance criteria for said permits.

**BACKGROUND:**

On July 26, 2011, your Board adopted a resolution regarding the impacts of and alternatives to Non-Chartered Financial Institutions, often referred to as “payday loan” establishments. The Board’s resolution and accompanying staff report highlighted the exorbitant fees that consumers pay for use of payday loans and other similar financial products. The resolution also directed Planning staff to explore zoning and permitting controls, good neighbor policies and similar measures to prevent blight, over concentration and other negative impacts on local neighborhoods, surrounding communities

and the County that could result from payday lending establishments, absent such regulation. To that end, Planning staff reviewed similar ordinances from the Cities of Oakland, East Palo Alto, and San Francisco. Based upon this review and consideration of the County's circumstances, staff has drafted the attached Ordinance for the Board's review and recommendation. Although there are no non-chartered financial institutions currently located within the unincorporated area that staff has been able to identify, the recommended Ordinance is needed to address the potential impacts of such businesses in the event they are proposed in the future.

**DISCUSSION:**

On May 9, 2012, the Planning Commission considered the proposed Ordinance regarding the regulation of Non-Chartered Financial Institutions and after discussion of the item recommended approval of the Ordinance. The proposed Ordinance will regulate the location of these types of businesses and their proximity to other potentially sensitive uses. The Ordinance will also establish performance criteria for the operation of these types of businesses in order to reduce potential conflicts with surrounding uses.

County Counsel has reviewed and approved the proposed materials as to form.

The approval of the proposed amendments to the County's commercial zoning districts to regulate Non-Chartered Financial Institutions contributes to the 2025 Shared Vision outcome of a Livable Community by preventing blight, over concentration and other negative impacts on local neighborhoods, surrounding communities and the County.

**FISCAL IMPACT:**

There is no anticipated fiscal impact to the County as a result of this amendment.