

**ORDINANCE NO. \_\_\_\_\_**  
**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO,**  
**STATE OF CALIFORNIA**

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**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**

**WHEREAS**, consumers who use payday loans encounter more hardship and have trouble paying other bills, getting health care, and staying in their home or apartment [Silicon Valley Community Foundation “Report on the Status of Payday Lending in California” (October 2009); Bart J. Wilson, et al., “An Experimental Analysis of the Demand for Payday Loans” (April 2008); Brian T. Melzer, “The Real Costs of Credit Access: Evidence from the Payday Lending Market” (November 2007)]; and

**WHEREAS**, payday lenders are nearly eight times as concentrated in neighborhoods with the largest shares of African Americans and Latinos as compared to white neighborhoods, draining nearly \$247 million in fees per year from these communities [Silicon Valley Community Foundation “Report on the Status of Payday Lending in California” (October 2009); Center for Responsible Lending “Predatory Profiling: The Role of Race and Ethnicity in the Location of Payday Lenders in California” (March 26, 2009)]; and

**WHEREAS**, the funds drained from these communities by payday lending could be saved or better spent on food, car repairs, medicine, housing, child care, education or

other needs [Silicon Valley Community Foundation “Report on the Status of Payday Lending in California” (October 2009); Brookings Institution, “From Poverty, Opportunity: Putting the Market to Work for Lower Income Families” (2006)].

**NOW, THEREFORE**, the Board of Supervisors of the County of San Mateo, State of California, ordains as follows:

**SECTION 1.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 1 (General Provisions), Section 6102 (Definitions), is hereby amended to add Subsection 6102.63.1, as follows:

**Section 6102.63.1 Non-Chartered Financial Institution.**

A Non-Chartered Financial Institution is defined as a use, other than State or Federally chartered bank, credit union, mortgage lender, savings and loan association or industrial loan company, that offers deferred deposit transaction services or check cashing services and loans for payment of a percentage fee. The term “non-chartered financial institution” shall include, but is not limited to deferred deposit transaction (payday loan) businesses that make loans upon assignment of wages received, check cashing businesses that charge a percentage fee for cashing a check or negotiable instrument, and motor vehicle title lenders who offer a short-term loan secured by the title to a motor vehicle. Non-profit financial institutions are not encompassed by the term non-chartered financial institution.

**SECTION 2.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 15 (C-1 Neighborhood Business Districts), Section 6251(d) (uses requiring a Use Permit), is hereby amended to read as follows:

8. Non-Chartered Financial Institutions, subject to the following requirements:
  - a. No Non-Chartered Financial Institution may be located within a radius of one thousand (1,000) feet from the nearest existing Non-Chartered Financial Institution.
  - b. No Non-Chartered Financial Institution may be located within a radius of five hundred (500) feet from the following land uses:
    - (1) Residentially zoned parcels.
    - (2) Any State or Federally chartered bank, savings association, credit union, or industrial loan company.
    - (3) Religious institution.
    - (4) School or Day Care Facility.
    - (5) Bar or Liquor Store, excluding full service restaurants and alcoholic beverage sales establishments with twenty-five (25) or more full time equivalent (FTE) employees and a total floor area of twenty thousand (20,000) square feet or more.
    - (6) Pawn Shops.

c. Each new Non-Chartered Financial Institution shall meet the following minimum standards of performance, which shall be included as conditions of approval for such uses, provided that nothing in this Ordinance Code shall limit the discretion of the decision making body to impose additional performance standards as may be warranted in any given case. These standards are obligations of the owner(s) of the Non-Chartered Financial Institution and are intended to ensure the Non-Chartered Financial Institution does not negatively impact the public health and safety:

- (1) A lighting plan shall be reviewed and approved by the County Planning and Building Department prior to the issuance of building permits and all lighting required by the approved plan shall be installed prior to final approval on the building permit. Exterior lighting shall be provided on all frontages. Exterior lighting shall be designed so as not to cast glare off-site.
- (2) Storefronts shall have glass or transparent glazing in the windows and doors. No more than ten (10) percent of any window or door area shall be covered by signs, banners, or opaque coverings of any kind.
- (3) Days and hours of operation shall be limited to 7:00 a.m. to 7:00 p.m., seven days a week. Patrons shall be discouraged from loitering prior to, during and/or after hours of operation.

At least one “no loitering” sign with a typeface at least two (2) inches tall shall be installed and maintained where it will be visible to pedestrians on each side of the building in which the activity is located including, but not limited to, street frontages and parking lots.

- (4) Graffiti shall be removed from the building that houses the Non-Chartered Financial Institution within seventy-two (72) hours of application.
- (5) Litter shall be removed at least two (2) times daily or as needed from in front of the building that houses the Non-Chartered Financial Institution, and for twenty (20) feet beyond the building along adjacent street(s). Crates, mattresses, and all other material placed within this area shall be removed immediately.
- (6) The applicant shall post at least one (1) uniformed security guard on duty at all times the business is open. The security guard shall patrol the interior and all exterior portions of the property under control of the owner or operator of the Non-Chartered Financial Institution including, but not limited to, parking lots and any open public spaces such as lobbies.

**SECTION 3.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 15 (C-1/NFO – Neighborhood Business District/North Fair Oaks), is hereby amended to add Section 6253.2.15.5 (Definitions), as follows:

15.5 Non-Chartered Financial Institution

See Section 6102.63.1 (Zoning Definitions) for definition.

**SECTION 4.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 15 (C-1/NFO – Neighborhood Business District/North Fair Oaks), Section 6253.3 (Uses Permitted), is hereby amended to read as follows (additions in *italics*):

PERMITTED USES	REQUIRED PLANNING PERMIT FOR THIS DISTRICT
<b>D. <u>PROFESSIONAL SERVICES (TSW-4)</u></b>	
1. Administrative, Professional and Business Offices (2.06.10)	None
2. Medical and Dental Offices (2.06.20)	None
3. Financial Institutions (2.06.30)	None
4. Trade and Vocational Schools (5.01.20)	Use Permit
5. <u><i>Non-Chartered Financial Institution</i></u>	<u><i>Use Permit</i></u> <sup>4</sup>
<sup>4</sup> Subject to performance requirements contained in Section 6251(d)(8) of these Zoning Regulations.	

**SECTION 5.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 15 (C-1/WMP – Neighborhood Business District/West Menlo Park), is hereby amended to add Section 6254.2.13.5 (Definitions), as follows:

13.5 Non-Chartered Financial Institution

See Section 6102.63.1 (Zoning Definitions) for definition.

**SECTION 6.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 15 (C-1/WMP – Neighborhood Business District/West Menlo Park), Section 6254.3 (Uses Permitted), is hereby amended to read as follows (additions in *italics*):

PERMITTED USES	REQUIRED PLANNING PERMIT FOR THIS DISTRICT
<p><b>D. <u>PROFESSIONAL SERVICES (TSW-4.WMP)</u></b></p> <ol style="list-style-type: none"> <li>1. Financial Institutions (2.06.30)</li> <li>2. Ground Floor Dependent Administrative, Professional and Business Offices (2.06.10)</li> <li>3. Non-Ground Floor Dependent Administrative, Professional and Business Offices (2.06.20) (<b>See Section 6254.4.6</b>)</li> <li>4. Medical and Dental Offices (2.06.30) (<b>See Section 6254.4.6</b>)</li> <li>5. <u>Non-Chartered Financial Institution</u></li> </ol>	<p><u>Floor Area per Establishment</u> Up to 3,000 sq. ft. – None Over 3,000 sq. ft. – Use Permit</p> <p><u>Floor Area per Establishment</u> Up to 3,000 sq. ft. – None Over 3,000 sq. ft. – Use Permit</p> <p>None</p> <p>None</p> <p><i>Use Permit (Subject to performance requirements contained in Section 6251(d)(8) of these Zoning Regulations)</i></p>

**SECTION 7.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 16 (C-2 General Commercial Districts), is hereby amended to add Section 6261(d)(9) (uses requiring a Use Permit), as follows:

9. Non-Chartered Financial Institutions, subject to the following requirements:
  - a. No Non-Chartered Financial Institution may be located within a radius of one thousand (1,000) feet from the nearest existing Non-Chartered Financial Institution.
  - b. No Non-Chartered Financial Institution may be located within a radius of five hundred (500) feet from the following land uses:
    - (1) Residentially zoned parcels.
    - (2) Any State or Federally chartered bank, savings association, credit union, or industrial loan company.
    - (3) Religious institution.
    - (4) School or Day Care Facility.
    - (5) Bar or Liquor Store, excluding full service restaurants and alcoholic beverage sales establishments with twenty-five (25) or more full time equivalent (FTE) employees and a total floor area of twenty thousand (20,000) square feet or more.
    - (6) Pawn Shops.
  - c. Each new Non-Chartered Financial Institution shall meet the following minimum standards of performance, which shall be included as conditions of approval for such uses, provided that nothing in this



Ordinance Code shall limit the discretion of the decision making body to impose additional performance standards as may be warranted in any given case. These standards are obligations of the owner(s) of the Non-Chartered Financial Institution and are intended to ensure the Non-Chartered Financial Institution does not negatively impact the public health and safety:

- (1) A lighting plan shall be reviewed and approved by the County Planning and Building Department prior to the issuance of building permits and all lighting required by the approved plan shall be installed prior to final approval on the building permit. Exterior lighting shall be provided on all frontages. Exterior lighting shall be designed so as not to cast glare off-site.
- (2) Storefronts shall have glass or transparent glazing in the windows and doors. No more than ten (10) percent of any window or door area shall be covered by signs, banners, or opaque coverings of any kind.
- (3) Days and hours of operation shall be limited to 7:00 a.m. to 7:00 p.m., seven days a week. Patrons shall be discouraged from loitering prior to, during and/or after hours of operation. At least one “no loitering” sign with a typeface at least two (2) inches tall shall be installed and maintained where it will be visible to pedestrians on each side of the building in which the

activity is located including, but not limited to, street frontages and parking lots.

- (4) Graffiti shall be removed from the building that houses the Non-Chartered Financial Institution within seventy-two (72) hours of application.
- (5) Litter shall be removed at least two (2) times daily or as needed from in front of the building that houses the Non-Chartered Financial Institution, and for twenty (20) feet beyond the building along adjacent street(s). Crates, mattresses, and all other material placed within this area shall be removed immediately.
- (6) The applicant shall post at least one (1) uniformed security guard on duty at all times the business is open. The security guard shall patrol the interior and all exterior portions of the property under control of the owner or operator of the Non-Chartered Financial Institution including, but not limited to, parking lots and any open public spaces such as lobbies.

**SECTION 8.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 16 (C-2/NFO – General Commercial District/North Fair Oaks), is hereby amended to add Section 6263.2.40.5 (Definitions), as follows:

40.5 Non-Chartered Financial Institution

See Section 6102.63.1 (Zoning Definitions) for definition.

**SECTION 9.** The San Mateo County Ordinance Code (Zoning Regulations), Division VI, Part One, Chapter 15 (C-2/NFO – General Commercial District/North Fair Oaks), Section 6263.3 (Uses Permitted), is hereby amended to read as follows (additions in *italics*):

PERMITTED USES	REQUIRED PLANNING PERMIT FOR THIS DISTRICT
<b>E. <u>PROFESSIONAL SERVICES (TSW-4)</u></b>	
1. Administrative, Professional and Business Offices (2.06.10)	None
2. Medical and Dental Offices (2.06.20)	None
3. Financial Institutions (2.06.30)	None
4. Trade and Vocational Schools (5.01.20)	Use Permit
5. <i>Non-Chartered Financial Institution</i>	<i>Use Permit</i> <sup>4</sup>
<sup>4</sup> Subject to performance requirements outlined in Section 6251(d)(8) of these Zoning Regulations.	

**SECTION 10.** Outside of the Coastal Zone, this Ordinance shall be in full force and effect thirty (30) days after adoption by the San Mateo County Board of Supervisors. Within the Coastal Zone (CZ or CD), this Ordinance shall take force and effect immediately upon final certification by the Coastal Commission.

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