

**DRAFT RESOLUTION
COUNTY OF LOS ANGELES
REGIONAL PLANNING COMMISSION
ALTERNATIVE FINANCIAL SERVICES ORDINANCE
PROJECT NO. PRJ2020-00078
PERMIT NO. RPPL2020000655**

WHEREAS, the Regional Planning Commission (hereinafter, the "Commission") of the County of Los Angeles has conducted a duly noticed public hearing on April 29, 2020 to consider an ordinance, (hereinafter, the "Alternative Financial Services Ordinance" or the "Ordinance") that amends Title 22 (Planning and Zoning) of the Los Angeles County Code (hereinafter, the "County Code") to establish the land use, "Alternative Financial Services" and associated standards; and

WHEREAS, the Commission finds as follows:

1. On October 16, 2018, the Board of Supervisors (hereinafter, the "Board") directed the Director of Regional Planning (hereinafter, the "Director") to study the impacts of high-cost loans and prepare amendments to Title 22 of the County Code that:
 - a. Defines "high-cost lenders";
 - b. Establishes development standards for high-cost lenders, such as limits on hours of operation and signage; and
 - c. Requires a minimum distance between high-cost lenders to prevent overconcentration of the establishments.
2. Staff conducted a study of 28 cities and counties in California. These jurisdictions defined and regulated check cashers, payday lenders, vehicle title lenders, and alternative financial services. A minimum separation distance (buffer) between high-cost lenders is not consistently required by the jurisdictions reviewed in this study. Of jurisdictions that do regulate spacing of such uses:
 - a. Long Beach and Norwalk require a 1,320-foot buffer;
 - b. La Mirada, Oakland, and Sacramento require a 1,000 foot buffer; and
 - c. Pico Rivera requires a 2,640 foot buffer.
3. The State of California, Department of Corporations licenses and regulates high-cost lenders.
4. The Ordinance defines Alternative Financial Services (AFS) as a use, other than a state or federally chartered bank, credit union, mortgage lender,

savings and loan association, or industrial loan company, that charges a percentage fee to provide a loan or check cashing service. The term "Alternative Financial Service" includes, but is not limited to, deferred deposit transaction (payday loan) lender, check cashing services, and motor vehicle title lenders who offer a short-term loan secured by the title to a motor vehicle. The term "Alternative Financial Service" does not include: 1) non-profit financial institutions, or 2) retail businesses primarily selling consumer goods, with incidental check cashing by a check cashier, for a fee not exceeding two dollars (\$2.00) as a service to its customers.

5. A total of 440 AFS are operating in the County, with 43 located within the unincorporated areas of the County. The distribution of these businesses within the unincorporated areas are:
 - a. 1st Supervisorial District – 20
 - b. 2nd Supervisorial District – 11
 - c. 3rd Supervisorial District – 0
 - d. 4th Supervisorial District – 6
 - e. 5th Supervisorial District – 6
6. A separation distance of less than 1,320 feet between AFS is considered an overconcentration, which is consistent with the requirements of the cities of Long Beach and Norwalk.
7. The Ordinance allows AFS in the M-1 (Light Manufacturing), M-1.5 (Restricted Heavy Manufacturing), and M-2 (Heavy Manufacturing) zones with approval of a Site Plan Review. Alternative financial services will also be allowed in the C-3 (General Commercial) and C-M (Commercial-Manufacturing) zones with approval of a Conditional Use Permit.
8. The Ordinance includes provisions to reduce impacts of AFS on unincorporated communities including: AFS separation requirements, loan rate posting requirements, operating hours restrictions, security camera requirements, and prohibition of security bars and exterior cash windows.
9. DRP conducted outreach for the Ordinance with chambers of commerce and advisory committees of communities that have an overconcentration of AFS, including the following groups:
 - a. Financial Capability Summit – May 15, 2019;
 - b. East Los Angeles Consumer Affairs Advisory Committee – September 19, 2019;

- c. Office of Small Business Commission – October 9, 2019;
 - d. California Department of Business Oversight – December 11, 2019;
 - e. Los Angeles South Chamber of Commerce – February 12, 2020; and
 - f. Florence-Firestone/Walnut Park Chamber of Commerce – March 18, 2020
10. The Ordinance is compatible with and supportive of policies of the Los Angeles County General Plan, which promote equitable communities by addressing the potential impacts of AFS on unincorporated areas of the County.
 11. The Ordinance qualifies for a Categorical Exemption (Section 15308, Class 8 Exemption) under the California Environmental Quality Act (CEQA) and the County environmental guidelines.
 12. Pursuant to Sections 22.222.120 of the County Code, the public was appropriately notified of the public hearing by a posting in 11 newspapers of general circulation.
 13. On April 29, 2020 the Commission conducted a duly-noticed public hearing to *[Reserved for Hearing Proceedings]*

THEREFORE, BE IT RESOLVED THAT the Regional Planning Commission recommends to the Board of Supervisors of the County of Los Angeles as follows:

1. That the Board hold a public hearing to consider adopting the Alternative Financial Services Ordinance that amends Title 22 of the Los Angeles County Code to establish the land use, “Alternative Financial Services” and associated standards;
2. That the Board adopt the Alternative Financial Services Ordinance and determine that it is compatible with and supportive of the goals and policies of the Los Angeles County General Plan; and
3. That the Board find that this project is not subject to the California Environmental Quality Act, in that it can be seen with certainty that there is no possibility that the attached proposed ordinance may have a significant effect on the environment.

I hereby certify that the foregoing resolution was adopted by a majority of the voting members of the Regional Planning Commission of the County of Los Angeles on April 29, 2020.

Rosie O. Ruiz, Secretary
County of Los Angeles
Regional Planning Commission

VOTE:

Concurring:

Dissenting:

Abstaining:

Absent:

Action Date: