



City Council Agenda

City of Campbell, 70 North First Street, Campbell, California

REGULAR MEETING OF THE CAMPBELL CITY COUNCIL

Tuesday, January 5, 2016 – 7:30 p.m.
Council Chamber – 70 N. First Street

CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

Pledge: Sherrie Doherty

SPECIAL PRESENTATIONS AND PROCLAMATIONS

COMMUNICATIONS AND PETITIONS

ORAL REQUESTS

COUNCIL ANNOUNCEMENTS

CONSENT CALENDAR

1. Minutes of Regular Meeting of December 1, 2015
2. Approving Bills and Claims
3. Monthly Investment Report – November, 2015
4. Authorization to Submit Transportation Fund for Clean Air (TFCA) Program Grant Application for Campbell Electronic Bike Lockers Project (Resolution/Roll Call Vote)
5. Approval to Carryover Unspent Capital Budget Appropriations and Operating Encumbrances (Resolution/Roll Call Vote)
6. Authorize City Manager to Execute an Agreement with EPCIT for Temporary Information Technology Professional Services (Resolution/Roll Call Vote)
7. Annual Status Report on Project Development Fees (AB-1600) (Resolution/Roll Call Vote)

PUBLIC HEARINGS AND INTRODUCTION OF ORDINANCES

8. Public Hearing – Resolution Directing the Community Development Director to proceed with Abatement of hazardous Vegetation (Resolution/Roll Call Vote)
9. Public Hearing to Consider a City-initiated Zoning Text Amendment (PLN2015-294) to Amend the Campbell Zoning Ordinance to Create Regulations for Payday Lenders (Resolution/Ordinance/Roll Call Vote)

NEW BUSINESS

10. Resolution of the Housing Task Force of the County of Santa Clara
11. Revised Neighborhood Association Assistance Grant Policy (Resolution/Roll Call)
12. 2016 Council Meeting Schedule

COUNCIL COMMITTEE REPORTS

13. City Councilmember Reports/Updates on Committee Assignments

ADJOURN

CITY COUNCIL MINUTES

City of Campbell, 70 North First Street, Campbell, California



REGULAR MEETING OF THE CAMPBELL CITY COUNCIL

Tuesday, December 1, 2015 – 7:30 p.m.
Council Chamber – 70 N. First Street

Note: This Regular Meeting was duly noticed pursuant to open meeting requirements of the Ralph M. Brown Act (G.C. Section 54956).

This meeting was recorded and can be viewed in its entirety at www.cityofcampbell.com/agendacenter.

CALL TO ORDER/ROLL CALL

The City Council of the City of Campbell convened this day in the regular meeting place, the Council Chamber of City Hall, 70 N. First Street, Campbell, California.

Roll Call:

Present: Councilmembers: Gibbons, Resnikoff, Kotowski, Baker, Cristina

Absent: Councilmembers: None

Mayor Cristina asked his family to lead the pledge.

SPECIAL PRESENTATIONS AND PROCLAMATIONS

There were no special presentations and proclamations.

COMMUNICATIONS AND PETITIONS

There were no communications and petitions.

ORAL REQUESTS

There were no oral requests.

COUNCIL ANNOUNCEMENTS

The City Clerk's Office is currently accepting applications for an unscheduled vacancy on the Historic Preservation Board. Applications may be obtained from the City Clerk's Office or by visiting the City's website. Applications are due to the City Clerk's Office by 5:00 p.m. on December 2, 2015. For additional information, contact the City Clerk's Office at (408) 866-2117.

The 30th annual Carol of Lights has returned to an evening event and will take place in Downtown Campbell on December 5th from 5:00 to 8:00 p.m.

The holidays are underway at the Ainsley House through December 20th featuring *Christmas Around the World*. Each room in the Ainsley House is decorated using a country or a cultural tradition as inspiration.

Holiday Tea and Tours will take place December 2nd to December 13th; the cost is \$40.00 per person. Admission includes full champagne tea, tour of the Ainsley House and entry into the Holiday Boutique. The Teas are sponsored by the Museum Foundation and reservations are required.

Holiday Open House evening events are scheduled for December 17th and 20th from 5:30 to 8:00 p.m., cost is \$15 per adult. Guests will enjoy seeing the Ainsley House at night as well as shopping at the Holiday Boutique.

For more information please contact Kerry Perkins at (408) 866-2718 or at kerry@cityofcampbell.com.

The next regularly scheduled meeting of the City Council will take place on Tuesday, January 5, 2016.

For more information about happenings around the City, please visit our website at www.CityofCampbell.com.

CONSENT CALENDAR

Mayor Cristina stated that he would be pulling item 6, 8, and 9 from the Consent Calendar and asked if any Councilmember or anyone in the audience wished to remove any item from the Consent Calendar.

The Consent Calendar was considered as follows:

1. **Minutes of Study Session of November 17, 2015**

This action approves the minutes of the Study Session of November 17, 2015.

2. **Minutes of Regular Meeting of November 17, 2015**

This action approves the minutes of the Regular Meeting of November 17, 2015.

3. **Approving Bills and Claims**

This action approves the payment of Bills and Claims in the amount of \$724,360.51 as follows: payment of payroll checks dated November 5, 2015 in the amount of \$288,258.29; payment of bills and claims checks dated November 9, 2015 in the amount of \$241,081.36; and payment of bills and claims checks in the amount of \$195,020.86.

4. **Monthly Investment Report – October, 2015**

This action is to note and file the monthly investment report for October, 2015.

5. **Resolution Declaring Weeds a Public Nuisance and Scheduling a Public Hearing (Resolution/Roll Call Vote)**

Resolution 11923 approves declaring weeds a public nuisance, and sets January 5, 2016, as the date for a public hearing to hear protests.

7. **Accept the Resignation of George Niczewicz from the Historic Preservation Board**

This action accepts the resignation of George Niczewicz from the Historic Preservation Board and directs the City Clerk to prepare the appropriate recognition of service.

M/S: Resnikoff/Kotowski - that the City Council approve the Consent Calendar with the exception of items 6, 8, and 9. Motion was adopted by the following roll call vote:

AYES: Councilmembers: Gibbons, Resnikoff, Kotowski, Baker, Cristina

NOES: Councilmembers: None

ITEMS CONSIDERED SEPARATE FROM THE CONSENT CALENDAR

6. **Second Reading of Ordinance 2195 Approves a Modification (PLN2015-170) to a Previously Approved and Modified Planned Development Permit (PLN2013-337/PLN2015-48) to Allow Expansion of an Approved Phase (Two-Phase) Development Consisting of 90 Townhomes and 28 Apartment Units with a Parking Modification Permit (PLN2015-172) to Allow an Eight Space Reduction in the Required Number of Guest Parking Stalls, for Properties Located at 180/86, 190, 230, 240, 260, 272, 280, 282, and 290 (Portion) Dillon Avenue; 466, 472, 482, and 488 Sam Cava Lane; and 186 Gilman Avenue (Second Reading/Roll Call Vote)**

Councilmember Resnikoff stated that he pulled this item to reflect his original vote.

M/S: Gibbons/Baker – that the City Council approve the second reading of Ordinance 2195 to approve a modification (PLN2015-170) to the previously approved and modified Planned Development Permit (PLN2013-337/PLN2015-48) and a Parking Modification Permit (PLN2015-172). Motion was adopted by the following roll call vote:

AYES: Councilmembers: Gibbons, Kotowski, Baker

NOES: Councilmembers: Resnikoff, Cristina

8. **Commending Executive Assistant to the City Manager Sherrie Doherty for her 28 years of Service with the City of Campbell (Resolution/Roll Call Vote)**

Council individually stated congratulatory remarks and commended Sherrie Doherty on her 28 years of service to the City.

M/S: Baker/Gibbons – that the City Council adopt Resolution 11924 commending Sherrie Doherty upon her retirement after 28 years of outstanding service to the City of Campbell. Motion was adopted by the following roll call vote:

AYES: Councilmembers: Gibbons, Resnikoff, Kotowski, Baker, Cristina

NOES: Councilmembers: None

9. **Resolution Approving a Budget Adjustment, not to Exceed \$40,000, for the Preparation of a Nexus Study and Feasibility Study (Resolution/ Roll Call Vote)**

Councilmember Resnikoff requested clarification in regards to the initial cost and number of participating cities.

After discussion, **M/S: Baker/Gibbons – that the City Council adopt Resolution 11925 approving a budget adjustment for a maximum of \$40,000, payable to the Silicon Valley Community Foundation, for the preparation of a nexus study and feasibility study. Motion was adopted by the following roll call vote:**

AYES: Councilmembers: Gibbons, Kotowski, Baker

NOES: Councilmembers: Resnikoff, Cristina

PUBLIC HEARINGS AND INTRODUCTION OF ORDINANCES

There were no agendized items.

COUNCIL COMMITTEE REPORTS

10. **City Councilmember Reports/Updates on Committee Assignments**

After discussion, **M/S: Gibbons/Resnikoff** – that the City Council continue this item to the January 5, 2016 City Council meeting. Motion was adopted unanimously.

NEW BUSINESS

11. City Council Re Organization

a. Presentation of Mayor's Plaque – Vice Mayor Baker

Vice Mayor Baker presented Mayor Cristina with the Mayor's Plaque and thanked him for his services as Mayor.

b. Parting Comments – Mayor Cristina

Mayor Cristina thanked his family and friends for their support over the past year and highlighted the accomplishments in the City during his time as Mayor.

c. Election of Mayor

M/S: Kotowski/Resnikoff – to nominate Vice Mayor Baker to serve as Mayor. Motion adopted by the following roll call vote:

AYES: Councilmember: Gibbons, Resnikoff, Kotowski, Baker, Cristina

NOES: Councilmember: None

d. Remarks – Newly elected Mayor

Mayor Baker expressed appreciation to his colleagues and City staff members. He introduced his family, thanked them for all their support, and discussed the goals for the City in the upcoming year.

e. Election of Vice Mayor

M/S: Kotowski/Resnikoff – to nominate Councilmember Gibbons to serve as Vice Mayor. Motion adopted by the following roll call vote:

AYES: Councilmember: Gibbons, Resnikoff, Kotowski, Baker, Cristina

NOES: Councilmember: None

City Clerk Wood administered the Oath of Office to newly appointed Mayor and Vice Mayor.

f. Remarks – Newly elected Vice Mayor

Vice Mayor Gibbons expressed appreciation to her colleagues and City staff members. She also discussed the goals for the City in the upcoming year.

g. Congratulatory Comments – Council and Public

Susan Landry, Campbell resident, congratulated the new Mayor and Vice Mayor, thanked former Mayor Cristina, and stated that she is looking forward to this upcoming year.

Mike Krisman, Campbell Neighborhood Village Association Director At-Large, thanked Council for their service in 2015, offered neighborhood support for the traffic impact fees, and stated that a petition for it has already been started.

Lisa Harmer, President of the Campbell Village Neighborhood Association, thanked Council for their service in 2015, congratulated Mayor Baker and Vice Mayor Gibbons on their appointments, and stated that Mike Krisman, Campbell Neighborhood Village Association Director At- Large, started the petition for the traffic impact fees.

Manny Cappello, Vice Mayor of the City of Saratoga, congratulated Mayor Baker and Vice Mayor Gibbons on their appointments and looks forward to working with them and the rest of Council in the upcoming year.

Assembly Member Low, stated that Campbell is now one of the top 25 most desirable places to live in the nation and acknowledged that is through help of Council and City staff. He thanked former Mayor Cristina, current Mayor Baker and Vice Mayor Gibbons for their services and presented a certificate of recognition to former Mayor Cristina.

Councilmember Resnikoff thanked former Mayor Cristina for facilitating some difficult meetings and agendas, thanked current Mayor Baker for the help and guidance he has provided this past year, and thanked Vice Mayor Gibbons for the detailed discussions.

ADJOURN

Mayor Baker adjourned the meeting at 8:13 p.m. A reception honoring the newly appointed Mayor and Vice Mayor followed.

APPROVED:

Jeffrey R. Cristina, Mayor

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk



City Council Report

Item: 2.
Category: Consent Calendar
Meeting Date: January 05 , 2016

TITLE: Approving Payment of Bills and Claims

RECOMMENDATION

Approve the attached lists of bills and claims for payment in the amount of \$3,027,587.77.

DISCUSSION

Attached are the lists of bills and claims that have been audited and approved by staff for payments made as noted below:

<u>Type</u>	<u>Check Date</u>	<u>Amount</u>
Payroll	November 19, 2015	\$244,002.81
Bills & Claims	November 23, 2015	\$1,495,099.73
Bills & Claims	November 30, 2015	\$428,059.00
Payroll	December 03, 2015	\$287,919.75
Bills & Claims	December 07, 2015	\$238,962.97
Bills & Claims	December 14, 2015	\$333,543.51
	Total	\$3,027,587.77

FISCAL IMPACT

Adequate funding was available to cover all expenses as listed.

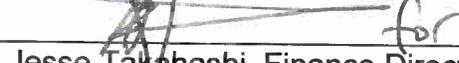
Prepared by:


Carolina Vargas, Accounting Clerk II

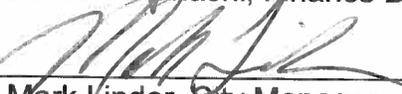
Reviewed by:


Sharif Etman, Finance Manager

Reviewed by:

 for
Jesse Takahashi, Finance Director

Approved by:


Mark Linder, City Manager

Attachments:

Attachment 1 – Bills & Claims Lists



*City
Council
Report*

Item: 3.
 Category: Consent Calendar
 Meeting Date: January 5, 2016

Title: Monthly Investment Report – November, 2015

RECOMMENDATION

That the attached Investment Report for November, 2015 be noted and filed.

DISCUSSION

The City invests primarily in the State of California Local Agency Investment Fund (LAIF) and US Government Agency securities to preserve the safety of the City's surplus funds while achieving a reasonable return on its portfolio. The City's strategy is one of buy-and-hold in which a portion of the portfolio is invested in fixed income securities of varying maturities that will provide sufficient cash flow to meet the City's operational needs.

During the month of November, the City did not purchase any new investments, nor did any investments get called. The total portfolio balance did not have a significant change from prior month.

All investments are made in accordance with the City's established Investment Policy or as authorized pursuant to bond covenants. Presented within this report are the following:

- Investment balance and earnings for November, 2015
- Summary of investments by types as of November, 2015
- List of investments by institution as of November, 2015
- Reconciliation of pooled cash as of November, 2015
- Investment transactions as of November, 2015
- Actual Receipts and Disbursements for November, 2015
- Cash flow projections for the month of February, 2016

Investment Balance and Earnings - November, 2015						
Bal. at Beg. of Month 11/01/15	Purchases/ Deposits	Maturities/ Withdrawals	Bal. at End of Month 11/30/15	Interest Earned this Month	Interest Earned YTD	% of Interest Earned YTD/Budget
\$ 33,195,877	\$ 5	\$ -	\$ 33,195,882	\$ 11,635	\$ 58,603	26.52%

Summary of Investments by Type - November, 2015

<u>Description</u>	<u>Current Month</u> <u>11/30/15</u>	<u>% of Total</u> <u>Portfolio</u>	<u>Prior Month</u> <u>10/31/15</u>	<u>% of Total</u> <u>Portfolio</u>	<u>Prior Year</u> <u>11/30/14</u>	<u>% of Total</u> <u>Portfolio</u>
L.A.I.F.	\$ 27,138,809	81.75%	\$ 27,138,809	81.75%	\$ 18,127,848	53.81%
Agencies	\$ 4,000,000	12.05%	\$ 4,000,000	12.05%	12,499,500	37.10%
Corporate Notes	\$ -	0.00%	\$ -	0.00%	1,005,310	2.98%
Money Market (U.S. Bank)	\$ 2,057,073	6.20%	\$ 2,057,068	6.20%	2,057,012	6.11%
Total	\$ 33,195,882	100.00%	\$ 33,195,877	100.00%	\$ 33,689,670	100.00%

Cash Flow Projections

The cash flow projection reflects there are sufficient funds available to meet the City of Campbell's anticipated expenditures for February, 2016 through July, 2016 (See Exhibit II).

List of Investments by Institution - November, 2015

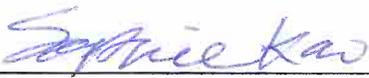
<u>Institution</u>	<u>Cost</u>	<u>% of Total</u> <u>Portfolio</u>	<u>Market</u> <u>Value</u>	<u>Diff. Bet. Cost</u> <u>& Market</u>
L.A.I.F.	\$ 27,138,809	81.75%	\$ 27,154,947	\$ 16,138
Federal Home Loan Mortgage Corp (FHLMC) *	4,000,000	12.05%	\$ 3,986,160	\$ (13,840)
U.S. Bank--Money Market Fund **	2,057,073	6.20%	\$ 2,057,073	\$ -
	\$ 33,195,882	100.00%	\$ 33,198,180	\$ 2,298

* The City intends to hold treasury/agency securities to maturity or until they are called, as a result this is a paper gain and/or loss that will not be realized.

** City and RDA COP and TAB bond proceeds held for program and reserve funds.

<u>Reconciliation of Pooled Cash per Ledgers to Investment Report</u>	
<u>November, 2015</u>	
Balance per ledger - November, 2015	\$ 33,195,875
November, 2015 interest to be Journalized	7.17
Adjusted General Ledger Balance	<u>33,195,882</u>
Balance Per Investment Report	<u>33,195,882</u>

<u>Summary of Total Cash Invested</u>			
<u>Description</u>	<u>Current Month</u> <u>11/30/15</u>	<u>Prior Month</u> <u>10/31/15</u>	<u>Prior Year</u> <u>11/30/14</u>
Cash on Deposit	\$ 3,243,960	\$ 2,373,900	\$ 2,218,215
Investments	<u>33,195,882</u>	<u>33,195,877</u>	<u>33,689,670</u>
Total Cash and Investments	<u>\$ 36,439,842</u>	<u>\$ 35,569,777</u>	<u>\$ 35,907,885</u>
% of Total Cash Invested	<u>91.10%</u>	<u>93.33%</u>	<u>93.82%</u>

Prepared by: 
Sophie Kao, Accountant

Reviewed by: 
Sharif Etman, Finance Manager

Reviewed by:  for
Jesse Takahashi, Finance Director

Approved by: 
Mark Linder, City Manager

- Attachment 1 - Monthly Schedule of Investments
- Attachment 2 - Cash Flow Projection
- Attachment 3 - Actual Receipts & Disbursements

**City of Campbell
Monthly Schedule of Investments
For the month ending November, 2015**

Attachment 1

	Beginning Balance	Purchases/ Deposits	Maturities/ Calls/ Withdrawals	Ending Balance	% of Type	% of Assets	Par Value	* Market Value	Maturity Date	Remain Days To Mat	Interest Rate (Annual)	Interest Earned to Maturity	# of Days in Month	Int.Recv. Beginning Balance	Interest Earned This Mo.	Interest Received This Mo.	Int.Recv. Ending Balance	Interest Received To Date	Interest Bal. to Maturity
Local Agency Investment Fund (L.A.I.F.)	\$ 27,138,809.04			\$ 27,138,809.04	100.00%	81.75%	\$ 27,138,809	\$ 27,154,947	N/A	N/A	0.374% Q	N/A	30	\$ 8,228.64	\$ 8,342.40		\$ 16,571.04	\$ 45,053.46	N/A
Cash & Gov't Securities (Custodian-BNY Bank)																			
Fed. Home Loan Mortgage (FHLMC)	2,000,000.00			2,000,000.00	50.00%	6.02%	2,000,000	2,001,620	02/26/18	819	1.000% S	49,863	30	3,397.26	1,843.84		5,041.10	49,863	
Fed. Home Loan Mortgage (FHLMC)	2,000,000.00			2,000,000.00	50.00%	6.02%	2,000,000	1,984,540	03/30/18	851	1.000% S	49,973	30	1,698.63	1,843.84		3,342.47	49,973	
Subtotal-Gov't Securities	4,000,000.00	-	-	4,000,000.00	100.00%	12.05%	4,000,000	3,986,160			1.000%	99,836		5,095.89	3,287.68	-	8,383.57	-	98,836
Investments under the management of contracted parties:																			
Trustee: U.S. Bank																			
1997 COP																			
Treasury Obligations - Lease Payment	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	30	-	-	-	-	2,873.71	N/A
Treasury Obligations	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	30	-	-	-	-	-	-
2002 COP																			
First American Treasury D - Lease Pmt	2.15	-	-	2.15	0.00%	0.00%	2	2	N/A	N/A	0.003% M	N/A	30	-	-	-	-	4,760.56	N/A
First American Treasury D - Improvement	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	30	-	-	-	-	152,311.90	N/A
2002 RDA TABs																			
First American Treasury D - Interest	0.86	-	-	0.86	0.00%	0.00%	1	1	N/A	N/A	0.004% M	N/A	30	-	-	-	-	3,754.52	N/A
First American Treasury D - Reserve	1,013,267.39	5.18	-	1,013,272.57	49.26%	3.05%	1,013,273	1,013,273	N/A	N/A	0.006% M	N/A	30	-	5.18	5.18	-	154,352.12	N/A
First American Treasury D - Principal	0.31	-	-	0.31	0.00%	0.00%	0	0	N/A	N/A	0.002% M	N/A	30	-	-	-	-	2,616.89	N/A
First American Treasury D - Redevelop	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	30	-	-	-	-	4,081.34	N/A
2005 RDA TABs																			
First American Treasury D - Interest	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	30	-	-	-	-	2,226.96	N/A
First American Treasury D - Principal	-	-	-	-	0.00%	0.00%	0	0	N/A	N/A	0.000% M	N/A	30	-	-	-	-	623.73	N/A
First American Treasury D - Reserve	1,043,797.24	-	-	1,043,797.24	50.74%	3.14%	1,043,797	1,043,797	N/A	N/A	0.000% M	N/A	30	-	-	-	-	111,415.10	N/A
Subtotal-Trust A/C	2,057,067.95	5.18	-	2,057,073.13	100.00%	6.20%	2,057,073	2,057,073			N/A	N/A		-	5.18	5.18	-	439,016.82	-
Total Portfolio	\$ 33,195,876.99	\$ 5.18	\$ -	\$ 33,195,882.17	100.00%	81.75%	\$ 33,195,882	\$ 33,198,180		Wgt Avg →	0.426%	\$ 99,836		\$ 13,324.53	\$ 11,635.26	\$ 5.18	\$ 24,954.61	\$ 484,070.28	\$ 99,836

Investment Portfolio Increased / (Decreased) by: **\$ 5.18**

Weighted Average to Maturity = **101.5 Days**

Month	Portfolio Balance		% of Total Cash Invested		Month	Wgt Avg	Rate/Annual Yield		Actual Interest Earned		Actual Interest Received	
	FY 15-16	FY 14-15	FY 15-16	FY 14-15			FY 15-16	FY 14-15	FY 15-16	FY 14-15	FY 15-16	FY 14-15
July	\$ 37,670,072	\$ 38,342,028	95.78%	98.36%	July	Wgt Avg	0.415%	0.580%	\$ 13,268	\$ 19,276	\$ 20,071	\$ 25,480
August	35,670,878	37,732,033	89.78%	97.33%	August	Wgt Avg	0.408%	0.570%	12,516	19,688	10,318	14,380
September	35,247,357	37,012,806	94.65%	98.39%	September	Wgt Avg	0.341%	0.571%	9,550	17,510	6,568	17,705
October	33,195,877	33,889,865	93.33%	96.06%	October	Wgt Avg	0.413%	0.604%	11,634	18,346	24,996	20,128
November	33,195,882	33,689,870	91.10%	93.82%	November	Wgt Avg	0.426%	0.605%	11,635	17,143	5	19,280
December		34,289,675		95.10%	December	Wgt Avg		0.603%		17,550		15,630
January		37,296,177		91.91%	January	Wgt Avg		0.527%		18,049		26,062
February		37,486,182		95.86%	February	Wgt Avg		0.473%		14,179		10,920
March		35,412,660		92.57%	March	Wgt Avg		0.491%		14,563		22,705
April		33,750,291		82.38%	April	Wgt Avg		0.392%		13,267		23,227
May		37,750,296		93.23%	May	Wgt Avg		0.345%		13,072		8,443
June		40,850,001		93.87%	June	Wgt Avg		0.389%		14,924		17,089
30-Nov-15						Average	0.401%	0.513%	\$ 58,603	\$ 197,568	\$ 61,957	\$ 221,048

Per Governmental Code requirements, this schedule of Investments complies with the City of Campbell's Investment Policy, and there are adequate funds available to meet the budgeted expenditures for the next six months.

* Market prices are obtained from the monthly investment statements of the various institutions or the City's third-party custodian, BNY Mellon Bank.

Cash Flow Projection for the Month of February 2016

Date	Revenue Description	Receipt Amount	Date	Expenditure Description	Payment Amount
1	Community Center Leases/Rentals	\$ 190,000	1	Outstanding Checks	\$ 450,000
8	Environmental Services Fees	33,000	8	Bills & Claims	350,000
8	Franchise Fees	382,000	15	Bills & Claims	450,000
15	Property Taxes	100,000	22	Bills & Claims	650,000
15	Other Taxes	50,000	29	Bills & Claims	550,000
15	Licenses and Permits	180,000	11	Payroll	660,000
15	Fines/Forfeitures/Penalties	20,000	25	Payroll	670,000
22	Investment Interest	10,000			
22	Motor Vehicle in Lieu (deferred)	-			
22	Highway Users Tax	-			
22	Intergovernmental	118,000			
22	Charges for Current Services	285,000			
29	Sales & Use Tax (incl. Meas.O)	1,000,000			
29	Park Dedication Fees	181,000			
29	Transient Occupancy Tax (monthly)	390,000			
29	Miscellaneous Receipts	15,000			
	Sub-total (Receipts)	2,954,000		Sub-total (Expenditure)	3,780,000
	Amount expected to be withdrawn from Investments to cover this month's expenditures.	826,000		Amount of expected revenue available for investment.	-
	Total	\$ 3,780,000		Total	\$ 3,780,000

Note:

The approximately \$27.1 million invested with the Local Agency Investment Fund (see Exhibit I) is highly liquid and available on any business day. It, therefore, can be reasonably estimated that sufficient funds are readily available to cover normal expenditures for the subsequent six-month period. More specifically, the monthly cash flow projection reflects that sufficient funds are available to meet the anticipated expenditures for the month.

Actual Receipts & Disbursements for the Month of November 2015

Fund / Account	Revenue Description	Receipt Amount	Date	Expenditure Description	Payment Amount
4810, 4819	Community Center/Dev. Leases/Rentals	\$ 197,346	1	Outstanding Checks as of 10/31/2015	\$ 96,768
F209, 4720, 21, 22, 24	Environmental Services Fees	33,371	2	Bills & Claims	350,467
4120-4125	Franchise Fees	282,434	9	Bills & Claims	241,081
40XX, 4153	Property Taxes	1,119,356	16	Bills & Claims	195,021
4151,4152,4155	Other Taxes	50,265	23	Bills & Claims	1,494,684
42XX	Licenses and Permits	153,368	30	Bills & Claims	428,495
43XX	Fines/Forfeitures/Penalties	30,613	30	Bills & Claims-manual & voided checks	(20)
4410,4431, 4450	Investment Interest	48	5	Bills & Claims-PR vendors' checks	288,258
4580	Motor Vehicle in Lieu	-	19	Bills & Claims-PR vendors' checks	244,003
4586	Highway Users Tax	-	5	Payroll	683,130
other 45XX	Intergovernmental--Other	22,123	19	Payroll	670,840
4510-4516	Intergovernmental--Gas Taxes	75,296	9	Calpers Insurance Payment	144,277
4571, 4572	Intergovernmental--VTA Meas. B	-	27	Calpers Retirement Funding-October	137,021
4590,4591,4592 F333	Intergovernmental--Successor Agency	-			
46XX-47XX, excl 4725	Charges for Current Services	204,607			
4110-4115	Sales & Use Tax (incl. Meas.O)	1,044,290			
F295,4920	Park Dedication Fees	7,026			
4150	Transient Occupancy Tax (monthly)	415,015			
48XX-49XX, excl F798	Miscellaneous Receipts	21,490			
F366,368,4450,4966	Miscellaneous Receipts (from RDA)	-			
F207,236,367exc237,5XXX	Special Assessment	951			
	Sub-total (Receipts)	3,657,599		Sub-total (Expenditure)	4,974,024
	Amount withdrew from Investments to cover this month's expenditures.	1,316,425		Amount of expected revenue available for investment.	-
	Total	\$ 4,974,024		Total	\$ 4,974,024



City Council Report

Item: 4.
Category: Consent Calendar
Meeting Date: January 5, 2016

TITLE: Authorization to Submit Transportation Fund for Clean Air (TFCA) Program Grant Application for Campbell Electronic Bike Lockers Project (Resolution/Roll Call Vote)

RECOMMENDATION

That the City Council adopt the attached resolution:

1. Authorizing the Public Works Director to submit a Transportation Fund for Clean Air (TFCA) Program grant application to the Bay Area Air Quality Management District (Air District) for the Campbell Electronic Bike Lockers Project.

BACKGROUND

In September 2015 the Air District issued a call for projects for electronic bike locker projects for the Fiscal Year Ending (FYE) 2016 Transportation Fund for Clean Air (TFCA) funding cycle. For FYE 2016, up to \$22 million in TFCA Regional Funds are available, of which up to \$3.84 million in funds are reserved for Bicycle Facility projects including approximately \$840,000 for bicycle parking and \$3 million for bikeways.

The Air District's Electronic Locker Program offers TFCA funding to Bay Area public agencies for the purchase and installation of new electronic bicycle lockers. The Program aims to reduce air pollution through alternative forms of transportation by expanding the availability of secure bicycle parking in the Bay Area.

DISCUSSION

Key Highlights to Air Districts Electronic Locker Program

Funding is available to public agencies for the purchase and installation of new electronic bicycle lockers. Each applicant is limited to a maximum award of \$100,000 in Regional Funds. Funding is awarded based on the number of bicycles that can be accommodated in the lockers at any given time and is limited to \$2,500 per electronic bicycle locker space. Projects must meet the minimum grant award level of \$10,000 per project. This amount equates to a minimum capacity of four bicycles. Projects must commence by December 31, 2016.

Santa Clara Valley Transportation Authority (VTA) Requirements

According to the Countywide Bicycle Plan (adopted by VTA Board of Directors on August 7, 2008), VTA's policy is to use bike lockers with Smart-Card technology to make the lockers more efficient and accessible. Lockers are available on a first-come, first-served basis. Users must pay a nominal fee. Therefore, the installation of electronic bicycle lockers in VTA's light rail stations is consistent with the Countywide Bicycle Plan. On November 16, 2010, the City Council adopted Resolution No. 11233 adopting the Santa Clara Countywide Bicycle Plan as the City's bicycle plan.

Campbell General Plan Policies

The installation of electronic bicycle lockers is consistent with the following General Plan strategy.

Strategy LUT-2.1e: Public Bicycle Parking: Provide adequate public bike parking facilities throughout the City and provide bike lockers, showers and changing facilities at government buildings for use by employees. Work with VTA to provide a bike station at the downtown light rail station.

Campbell Electronic Bike Lockers Project

The Campbell Electronic Bike Lockers Project would involve purchase and installation of four bike lockers at the Hamilton Light Rail Station and four bike lockers at the Downtown Campbell Light Rail Station. The Winchester Light Rail Station already has 12 existing bike lockers. Due to space limitations, the Hamilton Station may have two two-space lockers as shown in the attached Figure 1. One pair of spaces would be west of the station elevator. The other pair of spaces would be located closer to the passenger drop-off area on Creekside Way. The Downtown Campbell Station would have one four-space locker located next to the passenger drop-off area on Railway Avenue.

TFCA Grant Program Schedule

Grant applications are due to the Air District on January 12, 2016. Council resolutions are due on January 21, 2016. Since the Hamilton Light Rail Station is on State property, the City would need to apply for a Caltrans encroachment permit. Obtaining a permit could take four to six weeks. City staff would also need to work cooperatively with VTA's operations staff to locate the bike lockers.

FISCAL IMPACT

A minimum local match of ten percent is required. The total project cost (including purchase, installation, and maintenance) is estimated to be \$42,100.00. The TFCA grant would pay only \$20,000.00. Therefore, the City would be responsible for \$22,100.00 in local matching funds. Potential fund sources for this amount include the Transportation Development Act (TDA) Article 3 Guaranteed funds and the City's Bike/Pedestrian/Traffic Safety Improvement funds.

ALTERNATIVES

1. Do not submit TFCA grant application.

Prepared by:


Matthew Jue, Traffic Engineer

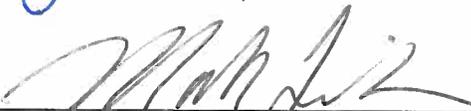
Reviewed by:


Todd Capurso, Public Works Director

Reviewed by:


Jesse Takahashi, Finance Director

Approved by:


Mark Linder, City Manager

- Attachment: 1. Resolution
2. Bike Locker Locations

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING THE CITY ENGINEER TO SUBMIT TRANSPORTATION FUND FOR
CLEAR AIR (TFCA) PROGRAM GRANT APPLICATION FOR THE CAMPBELL
ELECTRONIC BIKE LOCKERS PROJECT**

WHEREAS, in September 2015 the Bay Area Air Quality Management District (Air District) issued a call for projects for Electronic Bicycle Locker Projects through the Transportation Fund for Clean Air (TFCA) Regional Fund grant cycle for the Fiscal Year Ending 2016; and

WHEREAS, up to \$22 million in TFCA Regional Funds are available, of which up to \$3.84 million in funds are reserved for Bicycle Facility projects including approximately \$840,000 for bicycle parking and \$3 million for bikeways; and

WHEREAS, the Air District's Electronic Locker Program offers TFCA funding to Bay Area public agencies for the purchase and installation of new electronic bicycle lockers; and

WHEREAS, the program aims to reduce air pollution through alternative forms of transportation by expanding the availability of secure bicycle parking in the Bay Area; and

WHEREAS, the Campbell Electronic Bicycle Lockers Project would install four bike locker spaces at the Hamilton Light Rail Station and four bike locker spaces at the Downtown Campbell Light Rail Station; and

WHEREAS, the provision of electronic bicycle lockers is consistent with the Countywide Bicycle Plan and Campbell General Plan Strategy LUT-2.1e, Public Bicycle Parking, which encourages the provision of bike lockers and working with the Santa Clara Valley Transportation Authority (VTA) to provide a bike station at the downtown light rail station; and

WHEREAS, the TFCA program requires a minimum ten percent local match; and

WHEREAS, the preliminary engineer's estimate to design and construct the Campbell Electronic Bike Lockers Project is approximately \$42,100.00; and

WHEREAS, the TFCA grant would pay only \$20,000.00 and the City would be responsible for \$22,100.00 in local matching funds; and

WHEREAS, potential fund sources for this amount include the Transportation Development Act (TDA) Article 3 Guaranteed funds and the City's Bike/Pedestrian/Traffic Safety Improvement funds.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Campbell that the Public Works Director is hereby authorized to submit a Transportation Fund for Clean Air (TFCA) Program grant application for the Campbell Electronic Bike Lockers Project.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the funding agreement for this project should the Air District award a TFCA grant to the City.

BE IT FURTHER RESOLVED that the City of Campbell will provide the required local match funds and any other non-TFCA funds required to design and construct the project should a TFCA grant be awarded to the City of Campbell for this project.

PASSED AND ADOPTED this 5th day of January, 2016, by the following roll call vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS
ABSENT:	COUNCILMEMBERS:

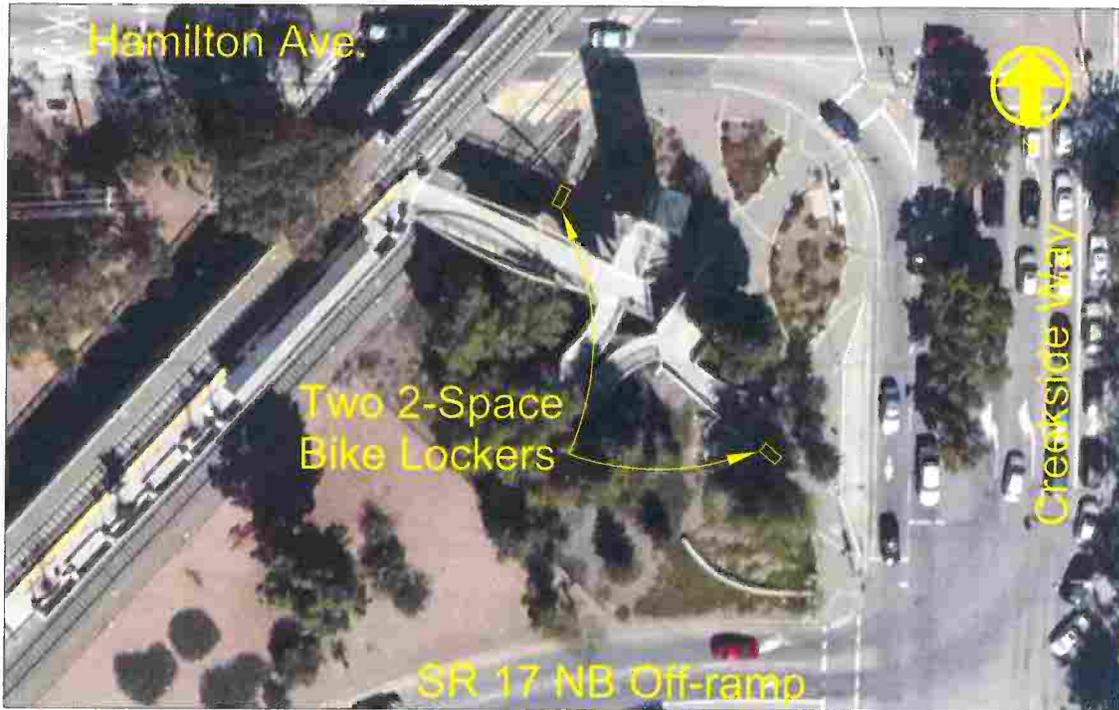
APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk

Attachment 2 - Bike Locker Locations



Hamilton Light Rail Station



Downtown Campbell Light Rail Station



City Council Report

Item: 5.
Category: Consent
Meeting Date: January 5, 2016

TITLE: APPROVAL TO CARRYOVER UNSPENT CAPITAL BUDGET APPROPRIATIONS AND OPERATING BUDGET ENCUMBRANCES (RESOLUTIONS/ROLL CALL VOTE)

RECOMMENDATION

It is recommended that the City Council adopt the two attached resolutions amending the City fiscal year 2015/16 operating and capital budgets as follows:

1. Amend the City's capital budget in the amount of \$11,775,971 and approve \$351,682 in related transfers, re-allocations, and consolidations.
2. Amend the City's operating budget in the amount of \$355,150 for re-appropriation of operating encumbrances.

DISCUSSION

The City appropriates projects on a "project-length" basis encompassing multiple fiscal years. At the close of each fiscal year, all capital projects are reviewed to determine whether they have been completed, canceled or remain open and need to be carried forward into the ensuing fiscal year. This process summarizes the status of all capital projects as of June 30, 2015 and results in the re-appropriation of project balances in fiscal year 2015/16. Additionally, open purchase orders encumbered as of June 30, 2015 are summarized and re-appropriated into the fiscal 2015/16 operating budget as necessary.

Carry forward balances were determined through Finance staff meetings with project managers, review of CIP documentation, and discussions with Department Heads. Recommended capital project carry forward appropriations will amend the City's capital budget for fiscal year 2015/16 by \$11,775,971. These changes are detailed by project and funding source in Attachment 1 of this report.

Attachment 2 is a summary of all projects completed, consolidated or canceled as of June 30, 2015 and the resulting savings/overage. Revenue shortfalls are mitigated through budgetary savings from other projects that can be applied against identified shortfalls. Use of project savings is summarized on the next page.

Recommended operating encumbrance carry forward appropriations totaling \$355,150 for the City are detailed by fund in Attachment 3. These amounts represent encumbrance balances existing as of June 30, 2015. All encumbrance carry forwards were reviewed by the respective departments for validity and necessity to achieve City program objectives and service levels.

Attachment 4 contains City resolutions authorizing the carry forward of projects as well as related capital transfer budget adjustments.

Use of Project Savings

Savings from projects funded by the CIPR and Construction Tax funds will be returned to the respective CIPR and the Construction Tax Reserve balances. Savings from the Parkland Dedication and Storm Drain / Environmental Services Fund will also return to their respective funds, with a portion being transferred to open projects.

The savings on the other closed projects will not be materialized as the remaining balances were to have been funded by various grants which are no longer available.

Project Consolidations Re-allocations and Budget Reductions

The balance totaling \$351,682 from six different projects outlined in attachment 2 is requested to be transferred to other current projects.

FISCAL IMPACT

Approval of the attached resolutions will increase the City's FY 2015/16 capital budget by \$11,775,971 and the operating budget by \$355,150.

Prepared by:



Sharif Etman, Finance Manager

Reviewed by:



Jesse Takahashi, Finance Director

Approved by:



Mark Linder, City Manager

Attachments:

- #1 Summary of Capital Project Budget Carryovers for FY15
- #2 Completed/Closed Projects and Transfers
- #3 Operating Encumbrance Carry Forwards
- #4 Resolutions and Budget Adjustments

Capital Project Budget Carryovers

Project Number	Project Name	Amount	Funding Source
03-10	Cablecast Equipment Upgrade	\$87,435	F435
07-06	Hamilton / 17 Fwy Off Ramp	\$506,576	F435
08-04A	Hacienda Ave – Federal Funds	\$521,565	F101, F218
08-04B	Hacienda Ave – State Funds	\$2,684,484	F212, F435
0812	Winchester UUD#9	\$13,605	F101
11-EE	Campbell Ave Portal Design	\$2,249,390	F216, F218
13-AA	ADA Transition	\$50,000	F101
13-DD	Bike / Pedestrian Safety	\$22,550	F101, F216
13-EE	Dell Ave Area Plan	\$9,758	F101
14-FF	Traffic Signal Controller	\$189,221	F101
14-GG	Harriet / McCoy Signal	\$659,777	F101, F218
14-HH	Virginia Ave sidewalk	\$928,159	F101, F202, F218, F435
14-KK	Bike / Pedestrian Safety	\$55,000	F101, F216
14-MM	Hamilton /Bascom ITS	\$27,388	F212
14-QQ	Civic Center Master Plan	\$211	F101
15-AA	Street Maintenance	\$772,974	F101, F204, F212, F435
15-BB	Bike / Pedestrian Safety	\$69,760	F101, F216
15-DD	Civic Center Refresh	\$44,592	F101
15-EE	Fleet Fuel Management System	\$90,000	F101
15-FF	Storm Drain Improvement	\$50,000	F209
15-GG	Park System Improvement	\$1,196,525	F295
15-HH	Computer Aided Dispatch	\$900,000	F101, F647
15-JJ	Ainsley House	\$29,982	F101
15-MM	Corp Yard Site Improvement	\$30,000	F435
15-NN	San Tomas Creek Improvement	\$532,019	F216, F435
15-QQ	ECA – Misc. Frontage Improvements	\$55,000	F101
TOTAL		\$11,775,971	

Completed/Closed Projects

Below is a summary of projects completed or substantially completed during the year and the amount of project budget savings (overage). These funds would generally become available in their respective fund balances or reserves, subject to settlement of any inter-fund liabilities.

The savings from projects below funded by General Fund (F101), Vehicle Impact Fees (F202), Construction Tax (F101), Storm Drain Improvements (F209), Other Grants (F212), Federal Grants (F218), Parkland Dedication (F295) and Capital Projects Fund (F435) will be returned to their respective reserves.

<u>Projects Completed/Closed</u>	<u>Project Budget</u>	<u>Project Expenditure</u>	<u>Savings (Overage)</u>	<u>Funding Source</u>
04-09 Extraction Wells	\$5,712,733	\$5,723,388	\$(10,655)	Pass Through
08-10 Stojanovich Park	\$3,946,489	\$3,844,219	\$102,270	F295
09-02 ADA Transition Improvements	\$67,501	\$45,853	\$21,648	F101
10-KK Winchester Improvement	\$1,568,000	\$1,467,281	\$100,719	F101,218,435
11-DD Storm Drain Improvements	\$114,678	-	\$114,678	F209
11-FF Winchester Phase II	\$1,981,995	\$1,985,775	\$(3,780)	F101,202,204,212,218,435,437
12-GG Leigh / Dry Creek Improvements	\$50,000	\$50,000	-	F101
13-BB Street Maintenance	\$1,350,719	\$1,278,512	\$72,207	F101,202,212,218,435
13-GG Storm Drain Improvement	\$50,000	\$11,047	\$38,953	F209
13-HH Park Improvement Plan	\$90,000	\$443	\$89,557	F295
14-BB Street Maintenance	\$330,546	\$226,640	\$103,906	F101,202,212,218,435
14-DD Winchester Signal Timing	\$136,000	\$130,184	\$5,816	F101
14-EE Hacienda Ave Enhancement	\$460	-	\$460	F101
14-NN Arterial Rehab	\$741,135	\$719,197	\$21,938	F101,202,212,435
15-CC Civic Center Pathway	-	\$4,210	\$(4,210)	F218
15-KK Fitness Equipment	\$60,000	\$61,105	\$(1,105)	F101
Totals	\$16,200,256	\$14,510,527	\$ 652,238	

Budget Transfers

The following projects which have budget surpluses will transfer to other open projects. Project 15-CC (Civic Center Pedestrian Pathway) will be funded by a portion of the remaining balance from project 09-02 (ADA Transition).

<u>Budget Transfers</u>	Surplus/ (Deficit)	Transfer Amount	Remaining Balance	Notes
09-02 ADA Transition	\$21,648	\$4,210	\$17,438	To 15-CC; closed
11-DD Storm Drain Improvement	\$114,678	\$114,678	-	To 15-FF
13-BB Street Maintenance	\$72,207	\$72,207	-	To 15-AA
13-GG Storm Drain Improvement	\$38,953	\$38,953	-	To 15-FF
14-BB Street Maintenance	\$103,906	\$103,906	-	To 15-AA
14-NN Arterial Rehab	\$21,938	\$21,938	-	To 15-AA
15-CC Civic Center Ped.	\$(4,210)	\$(4,210)	-	From 9-02
Totals	\$369,120	\$ 351,682	\$17,438	

Operating Encumbrance Carry Forwards

As of June 30, 2015, City staff reviewed open purchase orders encumbered and unpaid. These purchase orders, for which services or materials have generally not been billed or received, are reviewed by department managers to determine the need for re-appropriation in the ensuing fiscal year. Over half of the amount encumbered is within the General Fund which represents items ordered but not delivered as of the close of the fiscal year. Total operating encumbrance re-appropriations are summarized below by fund.

City Funds	Fund Number	Amount
General Fund	101	\$ 146,072
Gas Tax	204	\$7,260
Lighting District	207	\$8,266
Motor Vehicle Pool	641	\$27,346
Information Technology Pool	647	\$166,206
Total City Funds		\$ <u>355,150</u>

RESOLUTION NO. _____

**BEING A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF CAMPBELL AMENDING THE CITY'S OPERATING BUDGET FOR THE
2015/16 FISCAL YEAR**

WHEREAS, there has been submitted to the City Council an annual budget for the operating of all departments and facilities of the City of Campbell for the Fiscal Year 2015/16; and

WHEREAS, the City Council took action to amend the operating budget; and

WHEREAS, all amendments have been incorporated into the total calculation.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Campbell that the operating budget be amended for fiscal year 2015/16 in the amount of \$355,150 representing all operating carry forward encumbrance balances from fiscal year 2014/15.

BE IT FURTHER RESOLVED that related operating transfers-out be increased from approved funding sources.

PASSED AND ADOPTED this 5th day of January, 2016 by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk

RESOLUTION NO. _____

**BEING A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF CAMPBELL AMENDING THE CITY'S CAPITAL BUDGET FOR THE
2015/16 FISCAL YEAR**

WHEREAS, there has been submitted to the City Council an annual budget for the operation of all departments and facilities of the City of Campbell for the fiscal year 2015/16; and

WHEREAS, the City Council took action to amend the capital budget; and

WHEREAS, all amendments have been incorporated into the total calculation.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Campbell that the capital budget be amended for fiscal year 2015/16 in the amount of \$11,775,971 encompassing all City capital project carry forward balances from fiscal year 2014/15, and,

BE IT FURTHER RESOLVED that \$10,768,287 in related capital transfers-out be increased from approved funding sources.

BE IT FURTHER RESOLVED that available surplus amounts totaling \$351,682 from various projects be reallocated to other current projects.

PASSED AND ADOPTED this 5th day of January, 2016 by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk

City of Campbell Request for Budget Adjustments

Department/Program	Division	Date	Request No.
Finance Department	Accounting	January 5, 2016	BA 11 56

Budget to be Reduced

Fund	Account Number	Description	Amount
101	3641	Capital Improvement Reserve	1,980,505
101	3641	Construction Tax	204,174
202	3799	Vehicle Impact Fees Fund Balance	41,960
204	3799	Gas Tax Fund Balance	33,524
209	3799	Environmental Services Fund Balance	203,631
212	3799	Other State/Local Grants Fund Balance	2,204,488
216	3799	TDA Grants Fund Balance	997,915
218	3799	Other Federal Grants Fund Balance	3,705,565
295	3799	Parkland Dedication Fund Balance	1,196,525
647	3799	Information Technologies Pool Fund Balance	200,000
			10,768,287

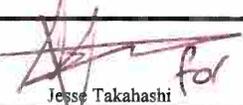
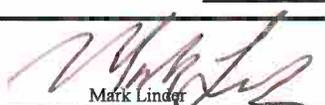
Budget to be Increased

Fund	Account Number	Description	Amount
101	0812.9999	Capital Transfers-Out	6,201
101	0812.9999	Capital Transfers-Out	7,403
101	13AA.9999	Capital Transfers-Out	50,000
101	13DD.9999	Capital Transfers-Out	2,550
101	13EE.9999	Capital Transfers-Out	9,759
101	14FF.9999	Capital Transfers-Out	189,221
101	14GG.9999	Capital Transfers-Out	64,510
101	14HH.9999	Capital Transfers-Out	143,959
101	14KK.9999	Capital Transfers-Out	5,000
101	14QQ.9999	Capital Transfers-Out	212
101	15AA.9999	Capital Transfers-Out	741,929
101	15BB.9999	Capital Transfers-Out	19,760
101	15DD.9999	Capital Transfers-Out	44,592
101	15EE.9999	Capital Transfers-Out	90,000
101	15HH.9999	Capital Transfers-Out	700,000
101	15JJ.9999	Capital Transfers-Out	29,982
101	15QQ.9999	Capital Transfers-Out	55,000
101	804A.9999	Capital Transfers-Out	24,601
202	14HH.9999	Capital Transfers-Out	41,960
204	15AA.9999	Capital Transfers-Out	33,524
209	15FF.9999	Capital Transfers-Out	203,631
212	14MM.9999	Capital Transfers-Out	27,388
212	15AA.9999	Capital Transfers-Out	48,900
212	804B.9999	Capital Transfers-Out	2,128,200

Fund	Account Number	Description	Amount
216	11EE.9999	Capital Transfers-Out	445,896
216	13DD.9999	Capital Transfers-Out	20,000
216	14KK.9999	Capital Transfers-Out	50,000
216	15BB.9999	Capital Transfers-Out	50,000
216	15NN.9999	Capital Transfers-Out	432,019
218	11EE.9999	Capital Transfers-Out	1,803,494
218	14GG.9999	Capital Transfers-Out	595,267
218	14HH.9999	Capital Transfers-Out	708,240
218	15AA.9999	Capital Transfers-Out	101,600
218	804A.9999	Capital Transfers-Out	496,964
295	15GG.9999	Capital Transfers-Out	1,196,525
647	15HH.9999	Capital Transfers-Out	200,000
			<u>10,768,287</u>

REASON FOR REQUEST - BE SPECIFIC:

Total Project Carryover	11,775,971
Add: transfers	351,682
Less: Projects Funded by Private Revenues	(1,359,366)
Total Capital Transfers	<u>10,768,287</u>

 Jesse Takahashi Finance Director	 Jesse Takahashi Finance Director	 Mark Linder City Manager
--	--	--



*City
Council
Report*

Item: 6.
Category: Consent Calendar
Date: January 5, 2016

TITLE: AUTHORIZE CITY MANAGER TO EXECUTE AN AGREEMENT WITH EPCIT FOR TEMPORARY INFORMATION TECHNOLOGY PROFESSIONAL SERVICES (Resolution/Roll Call Vote)

RECOMMENDATION

That the City Council adopt the attached resolution authorizing the City Manager to execute an agreement with EPCIT to provide temporary professional services for the Information Technology Division.

BACKGROUND

As part of the FY16 Budget, the City Council approved a limited term Information Technology Administrator for the Information Technology Division. The responsibilities for the position were to assist the Division in completing some of the major projects in its FY16 Work Plan. This position was in addition to the two (2) Information Technology Technician positions, and the one permanent Information Technology Administrator position.

DISCUSSION

During the first part of FY16, the limited term Information Technology Administrator position was filled by an incumbent Information Technology Technician, and recruitments were undertaken to backfill the Information Technology Technician position. Despite extensive efforts to identify a strong candidate for the vacant position via various recruitment efforts, no candidates with the expertise necessary to assist the Division were identified. Based on these results, the Division contacted other Information Technology Divisions in Santa Clara County, and identified EPCIT as a vendor who could provide individuals with the expertise to immediately begin work and assist the Division. After interviews with individuals provided by EPCIT by the Information Technology Manager, the City Manager authorized a short-term agreement to assist the Division. The assistance provided by the individual from EPCIT has proved very valuable to the Division; he has worked on similar projects for other cities, and has been able to provide both hands-on assistance as well as "lesson learned" information.

The incumbent Information Technology Technician who has been working in the limited term Information Technology Administrator position has indicated that he no longer wishes to continue in this role, and will return to this prior position of Information Technology Technician as the end of the 2015 calendar year.



ANALYSIS

Council Administrative Policies (Section 10.7 – Retaining of Consultants – Page 37) directs staff to seek authorization from the City Council when entering into an agreement for professional services when the cost of the engagement exceeds \$15,000. Although this agreement with EPCIT is below this threshold (\$14,900 for the three month term), because of the lack of success in recruiting for the limited term position, the fact that we are now at the mid-point of the fiscal year, and the need for expert services is critical for completion of the Division’s Work Plan Items, it is very likely that there will be a need to enter into an extension of the agreement for the remainder of the fiscal year (up to six months), and utilize other EPCIT resources between now and June 30, 2016.

For these reasons, staff is requesting that the City Council authorize the City Manager to enter into agreements/extensions with EPCIT, the length of which will not exceed six (6) months, and the value of which will not exceed \$40,000.

FISCAL IMPACT

Costs associated with the professional services provided by EPCIT will be off-set by salary savings.

ALTERNATIVES

1. Do not approve the professional services agreement at this time.
2. Provide other direction to Staff.

Prepared by:



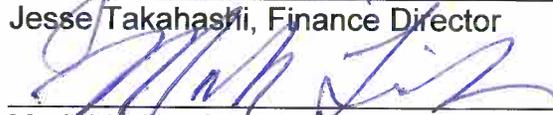
Jeffrey Gershaneck, Information Technology Manager

Reviewed by:



Jesse Takahashi, Finance Director

Approved by:



Mark Linder, City Manager

Attachments: Council Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AUTHORIZING AN AGREEMENT WITH EPCIT FOR TEMPORARY INFORMATION
TECHNOLOGY PROFESSIONAL SERVICES**

WHEREAS, the City desires to obtain temporary part-time professional services to assist the Information Technology Division with major technology projects; and

WHEREAS, EPCIT has qualified individuals with the expertise, means and ability to provide the City's Information Technology Division with such assistance; and

WHEREAS, Pursuant to Section 10.7 of the City's Council Administrative Policies, the City Council reserves the ability to authorize the hiring of consultants whose charges will exceed \$15,000; and

WHEREAS, the Division will be able cover the cost for these professional services via salary and budgetary savings; and

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the City Manager to execute an agreement between the City of Campbell and EPCIT for Information Technology professional services for a period of up to six (6) months not to exceed \$40,000.

PASSED AND ADOPTED this 5th day of January 2016, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk



City Council Report

Item: 7.

Category: Consent Calendar

Date: January 5, 2016

TITLE: Annual Status Report on Project Development Fees (AB-1600)

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution as compliance with AB-1600's annual reporting requirement for the fiscal year ending June 30, 2015.

BACKGROUND

Attached is the annual status report, for the 5-year period ending June 30, 2015, of developers' fees collected by the City for public facilities including public improvements, public services and community amenities.

Government Code Section 66000 et seq. requires local agencies to provide an accounting of fees charged for development projects. Effective January 1, 1989, AB-1600 required new accounting guidelines with respect to the imposition and use of such fees. Effective January 1, 1997, SB-1693 further amended and expanded the provisions of the Code with respect to the accounting and reporting requirements.

The City has two basic accounting and reporting responsibilities under the Government Code. Section 66001(d) requires that, five years after collecting a development fee subject to this code section and every five years thereafter, the local agency shall make findings with respect to any portion of the fee remaining unexpended, whether committed or uncommitted. These findings must:

1. Identify the purpose for the fee;
2. Demonstrate a reasonable relationship between the fee and the purpose for which it was charged;
3. Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements;
4. Designate the approximate dates on which these funding sources can be expected to be deposited into the appropriate account or fund.

If the required findings are not made, the unexpended funds shall be refunded.

When sufficient funds have been collected to complete financing on incomplete public improvements, the local agency has 180 days to identify an approximate date by which the construction of the public improvement will begin or else is required to refund the unexpended fees, including accrued interest, to the current owner of lots or units of the development project.

The second requirement set forth under Government Code Section 66006 provides that the City shall establish separate capital facility accounts for each improvement funded by project development fees. Any interest income earned by funds in such an account shall be deposited in that account. Each local agency is required, within 180 days after the last day of each fiscal year, for each established separate account, to make available to the public the following information: (1) a brief description of the type of fee in the account; (2) the amount of the fee; (3) the account's beginning and ending balance; (4) the amount of fees collected and the interest earned; (5) a description of the improvements on which the funds were expended and the amount expended on each improvement including the percentage of the improvement funded with development fees; (6) an approximate date by which the construction of a public improvement will begin if the local agency determines that sufficient funds have been collected to complete financing on the incomplete improvement; (7) a description of each inter-fund transfer or loan made from the account; and (8) the amount of any refunds made pursuant to Code Section 66001.

DISCUSSION

Attached to this staff report is the financial information (see Appendices A-C) required by Government Code Section 66006(a)-(b) as of June 30, 2015. The information consists of beginning and ending fund balances for each fee charged by the City, including interest earned, and details of all expenditures made from these sources. Fiscal year 2015-16 reflects estimates. Pursuant to Government Code Section 66006(a)-(b), this report is for review purposes only. Any changes to committed funds will be made through the normal procedures for the adoption of the City's Five-Year Capital Improvement Program.

The City utilizes the following funds to track development related fees:

- * Environmental Services (Fund 209)

A storm drain reserve account within this fund is utilized to track fees paid by developers to design, install and improve storm drains for new storm drain projects throughout the City.

- * Parkland Dedication (Fund 295)

This fund is utilized to track the receipt of Parkland Dedication Fees. In accordance with the Quimby Act, these funds are utilized only for acquisition, development or improvements to community or neighborhood parks in accordance with the Open Space Element.

* Vehicle Impact (Fund 202)

This fund tracks the receipt of funds collected from development projects designed to fund the cost of street replacement due to the cumulative impact of construction and other commercial vehicles at development sites.

The City utilizes fund accounting to segregate development related fees from other City revenues. Although the City pools its cash for investment purposes, interest income is allocated to the Parkland Dedication and the Environmental Services Funds based on their respective cash balances.

Staff examined the accounts to determine if any development fees collected between January 1, 1989 (the date AB-1600 became effective) and June 30, 2010 remain unexpended. It was determined that all such fees were expended within the five year period. Therefore, no additional findings are required under Code Section 66001(d).

Appendix A contains a five year history for fiscal years 2010-11 through fiscal year 2014-15, and an estimate for the current fiscal year for the Storm Drain Reserve Account activity; the Parkland Dedication Fund and the Vehicle Impact Fund. Appendix B contains fiscal year 2015-16 five-year Capital Improvement Plan cash flow worksheets for the Storm Drain Reserve Account, Parkland Dedication Fund and Vehicle Impact Fund. Estimated cash flows may differ from Appendices A which represent revised estimates based on the latest information available. Appendix C, which the Government Code does not require to be presented, summarizes the fees received and expended for all accounts since January 1, 1989 demonstrating that there are no fees collected more than five years ago that remain unexpended at June 30, 2015.

FISCAL IMPACT

None.

Prepared by: 
Sharif Etman, Finance Manager

Reviewed by: 
Jesse Takahashi, Finance Director

Reviewed by: 
Paul Kermoyan, Community Development Director

Reviewed by: 
Todd Capurso, Public Works Director

Approved by: 
Mark Linder, City Manager

- Attachments:
1. Resolution
 2. Appendices A, B, C

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF CAMPBELL ACCEPTING THE ANNUAL STATUS REPORT ON
PROJECT DEVELOPMENT FEES (AB-1600)**

WHEREAS, Government Code Section 66001(d) requires the City to make findings once every five fiscal years with respect to any portion of a fee remaining unexpended in its account five or more years after deposit of the fee, and to identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged; and

WHEREAS, the City of Campbell elects to do an annual AB-1600 status report; and

WHEREAS, staff, under Government Code Section 66001(d), has reviewed the development fees collected between January 1, 1989 (the date when this requirement became effective) and June 30, 2010 to determine if any such development fees remain unexpended; and

WHEREAS, staff has found that no project development fees collected between January 1, 1989 and June 30, 2010 remain unexpended; and

WHEREAS, staff has set forth the information required by California Government Code Section 66006 in the report and attachments accompanying this resolution.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Campbell that Council review, accept and file this Annual Status Report on project development fees as stipulated under Government Code Section 66000 et seq.

PASSED and ADOPTED this 5th day of January, 2016, by the following roll call vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk

CITY OF CAMPBELL, CALIFORNIA
Environmental Services Fund (Storm Drain Reserve Account)
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
Fiscal Years Ending June 30, 2011-2015
With Estimates for Fiscal Year 2015-2016

	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Estimated
Revenues:						
Storm drain fees	\$ 17,308	\$ 21,292	\$ 29,563	\$ 30,105	\$ 11,245	\$ 20,000
Investment income	2,618	2,971	2,180	1,847	1,916	500
Total revenues	19,926	24,263	31,743	31,952	13,161	20,500
Other financing uses:						
Operating/capital transfers out	(25,232)	(47,269)	(972)	(10,075)	-	-
Excess (deficiency) of revenues over (under) other financing sources (uses)	(5,306)	(23,006)	30,771	21,877	13,161	20,500
Fund balance, beginning of year	158,970	153,664	130,658	161,429	183,306	196,467
Fund balance, end of year	\$ 153,664	\$ 130,658	\$ 161,429	\$ 183,306	\$ 196,467	\$ 216,967
Recap of transfers-out (% funded by development fees):						
Misc. Storm Drain Improvements (100%)	\$ 25,232	\$ 47,269	\$ 972	\$ 10,075	-	-
Total transfers-out	\$ 25,232	\$ 47,269	\$ 972	\$ 10,075	\$ -	\$ -

CITY OF CAMPBELL, CALIFORNIA
Vehicle Impact Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
Fiscal Years Ending June 30, 2011-2015
With Estimates for Fiscal Year 2015-2016

	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Estimated
Revenues:						
Vehicle Impact Fees	\$ 140,141	\$ 127,022	\$ 129,509	\$ 247,354	\$ 136,919	\$ 140,000
Investment income	-	-	-	-	-	283
Total revenues	140,141	127,022	129,509	247,354	136,919	140,283
Other financing uses:						
Operating/capital transfers out	\$ -	(139,067)	(212,175)	(298,832)	(289,791)	(140,000)
Excess (deficiency) of revenues over (under) other financing sources (uses)	140,141	(12,045)	(82,666)	(51,478)	(152,872)	283
Fund balance, beginning of year	158,920	299,061	287,016	204,350	152,872	-
Fund balance, end of year	\$ 299,061	\$ 287,016	\$ 204,350	\$ 152,872	\$ -	\$ 283
Recap of transfers-out (% funded by development fees):						
Street Maintenance Project 13BB(32%)	-	-	\$ 31,168	\$ 298,832	-	-
Hacienda Avenue Project 0804 (10%)	-	\$ 14,067	181,007	-	\$ 155,554	-
Street Maintenance Project 10AA(6%)	-	125,000	-	-	-	-
Street Maintenance Project 11AA (12%)	-	-	-	-	-	-
Street Maintenance 12BB (42%)	-	-	-	-	-	-
Virginia Ave 14HH (100%)	-	-	-	-	35,773	-
Arterial Rehab 14NN (51%)	-	-	-	-	98,464	-
Street Maintenance Project 15AA (17%)	-	-	-	-	-	140,000
Total transfers-out	\$ -	\$ 139,067	\$ 212,175	\$ 298,832	\$ 289,791	\$ 140,000

CITY OF CAMPBELL, CALIFORNIA
Parkland Dedication Fund
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
Fiscal Years Ending June 30, 2011-2015
With Estimates for Fiscal Year 2015-2016

	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Actual	15/16 Estimated
Revenues:						
Park dedication fees	\$ 540,453	\$ 447,462	\$ 701,114	\$ 1,800,324	\$ 443,149	\$ 306,856
Investment income	6,100	6,131	4,856	11,071	17,377	33,232
Total revenues	546,553	453,593	705,970	1,811,395	460,526	340,088
Other financing sources (uses):						
Operating/capital transfers out	(157,560)	(1,023,635)	(30,913)	(26,443)	(22,975)	(965,000)
Excess (deficiency) of revenues over (under) other financing sources (uses)	388,993	(570,042)	675,057	1,784,952	437,551	(624,912)
Fund balance, beginning of year	477,473	866,466	296,424	971,481	2,756,433	3,193,984
Fund balance, end of year	\$ 866,466	\$ 296,424	\$ 971,481	\$ 2,756,433	\$ 3,193,984	\$ 2,569,072
Recap of transfers-out (% funded by development fees):						
Stojanovich Park Land & Improvements (98%)	157,559	1,023,635	30,913	26,000	19,500	121,770
Park Improvement Master Plan (100%)	-	-	-	443	-	89,557
Park System Improvements (100%)	-	-	-	-	3,475	1,200,000
Total transfers-out	\$ 157,559	\$ 1,023,635	\$ 30,913	\$ 26,443	\$ 22,975	\$ 1,411,327

**CIP Five Year Cash Flow Analysis
FY 2015-16 Through FY 2019-20**

Appendix B

Env. Services Storm Drain Reserves - Fund Balance - Fund 209

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total FY16 to 20
	Environ. Svcs. Storm Drain Res Fund Balance FD 209	Environ Svcs. Storm Drain Res Fund Balance FD 209				
Available Reserve--July 1	\$ 115,218	\$ 135,718	\$ 106,218	\$ 126,718	\$ 97,218	\$ 115,218
Add Projected Revenues:						
Storm Drain Fees	20,000	20,000	20,000	20,000	20,000	100,000
Investment income	500	500	500	500	500	2,500
Total Projected Revenues	20,500	20,500	20,500	20,500	20,500	102,500
Less Projected Expenditures:						
Five Year CIP Proposed	-	50,000	-	50,000	-	100,000
Sub-Total Expenditures	-	50,000	-	50,000	-	100,000
Projected Available Reserve	\$ 135,718	\$ 106,218	\$ 126,718	\$ 97,218	\$ 117,718	\$ 117,718

Vehicle Impact - Fund Balance - Fund 202

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total FY16 to 20
Available Reserve--July 1	\$ 303,118	\$ 303,401	\$ 303,684	\$ 303,967	\$ 304,250	\$ 303,118
Add Projected Revenues:						
Vehicle Impact Fees	140,000	140,000	140,000	140,000	140,000	700,000
Solid Waste Vehicle Impact Fees	230,000	234,000	238,000	244,000	244,000	1,190,000
Investment income	283	283	283	283	283	1,415
Total Projected Revenues	370,283	374,283	378,283	384,283	384,283	1,891,415
Less Projected Expenditures:						
Carryforward from prior years	-	-	-	-	-	-
Five Yr. CIP Proposed	370,000	374,000	378,000	384,000	384,000	1,890,000
Sub-Total Expenditures	370,000	374,000	378,000	384,000	384,000	1,890,000
Projected Available Fund Balance	\$ 303,401	\$ 303,684	\$ 303,967	\$ 304,250	\$ 304,533	\$ 304,533

**CIP Five Year Cash Flow Analysis
FY 2015-16 Through FY 2019-20**

Parkland Dedication - Undesignated Fund Balance - Fund 295

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total FY16 to 20
	Parkland Ded. Undesignated Fund Balance FD 295					
Cash - Liabilities Balance--July 1	\$ 2,215,452	\$ 1,590,540	\$ 1,414,398	\$ 1,835,614	\$ 2,263,148	\$ 2,215,452
Add: Projected Revenues:						
Advance from General Fund Reserves						-
Parkland Ded. Fees	306,856	400,000	400,000	400,000	400,000	1,906,856
Total Projected Revenues	340,088	423,858	421,216	427,534	433,947	2,046,643
Five Yr. CIP Proposed	965,000	600,000	-	-	-	1,565,000
Sub-Total Expenditures	965,000	600,000	-	-	-	1,565,000
Projected Available Fund Balance	\$ 1,590,540	\$ 1,414,398	\$ 1,835,614	\$ 2,263,148	\$ 2,697,096	\$ 2,697,096

City of Campbell
 Summary of Development Fees and Related Expenditures
 January 1, 1989 through June 30, 2015

Storm Drain Reserve Account

Year Collected	Fees Collected	Fees Expended	Unspent (Overspent) Fees	Cummulative Fees	Cummulative Expenditures	Fees Over (Under) Expenditures	Cummulative Percent of Fees Expended
FYE 1989*	\$ 6,994	\$ 11,653	\$ (4,659)	\$ 6,994	\$ 11,653	\$ (4,659)	100%
FYE 1990	31,634	16,000	15,634	38,628	27,653	10,975	100%
FYE 1991	11,562	50,000	(38,438)	50,190	77,653	(27,463)	100%
FYE 1992	36,804	55,235	(18,431)	86,994	132,888	(45,894)	100%
FYE 1993	20,879	11,164	9,715	107,873	144,052	(36,179)	100%
FYE 1994	10,216	16,500	(6,284)	118,089	160,552	(42,463)	100%
FYE 1995	71,703	-	71,703	189,792	160,552	29,240	100%
FYE 1996	56,511	-	56,511	246,303	160,552	85,751	100%
FYE 1997	13,659	-	13,659	259,962	160,552	99,410	100%
FYE 1998	24,766	63,600	(38,834)	284,728	224,152	60,576	100%
FYE 1999	72,822	-	72,822	357,550	224,152	133,398	100%
FYE 2000	24,539	-	24,539	382,089	224,152	157,937	100%
FYE 2001	29,669	-	29,669	411,758	224,152	187,606	100%
FYE 2002	25,034	173,314	(148,280)	436,792	397,466	39,326	100%
FYE 2003	34,642	95	34,547	471,434	397,561	73,873	100%
FYE 2004	11,342	90,000	(78,658)	482,776	487,561	(4,785)	100%
FYE 2005	31,055	323,470	(292,415)	513,831	811,031	(297,200)	100%
FYE 2006	75,757	4,280	71,477	589,588	815,311	(225,723)	100%
FYE 2007	28,048	10,000	18,048	617,636	825,311	(207,675)	100%
FYE 2008	26,513	30,737	(4,224)	644,149	856,048	(211,899)	100%
FYE 2009	10,013	27,084	(17,071)	654,161	883,132	(228,971)	100%
FYE 2010	9,376	-	9,376	663,537	883,132	(219,595)	100%
FYE 2011	17,308	25,232	(7,924)	680,845	908,364	(227,519)	100%
FYE 2012	21,292	47,269	(25,977)	702,137	955,633	(253,496)	100%
FYE 2013	29,563	972	28,591	731,700	956,605	(224,905)	100%
FYE 2014	30,105	10,075	20,030	761,805	966,680	(204,875)	100%
FYE 2015	11,245	-	11,245	773,050	966,680	(193,630)	100%
	<u>\$ 773,050</u>	<u>\$ 966,680</u>	<u>\$ (193,630)</u>				

Parkland Dedication Fund

Year Collected	Fees Collected	Fees Expended	Unspent (Overspent) Fees	Cummulative Fees	Cummulative Expenditures	Fees Over (Under) Expenditures	Cummulative Percent of Fees Expended
FYE 1989*	\$ 69,052	\$ 69,052	\$ -	\$ 69,052	\$ 69,052	\$ -	100%
FYE 1990	221,209	80,000	141,209	290,261	149,052	141,209	100%
FYE 1991	72,926	15,208	57,718	363,187	164,260	198,927	100%
FYE 1992	49,879	385,420	(335,541)	413,066	549,680	(136,614)	100%
FYE 1993	130,146	-	130,146	543,212	549,680	(6,468)	100%
FYE 1994	186,891	(70,000)	256,891	730,103	479,680	250,423	100%
FYE 1995	827,876	560,073	267,803	1,557,979	1,039,753	518,226	100%
FYE 1996	956,354	194,099	762,255	2,514,333	1,233,852	1,280,481	100%
FYE 1997	299,801	420,902	(121,101)	2,814,134	1,654,754	1,159,380	100%
FYE 1998	573,787	422,778	151,009	3,387,921	2,077,532	1,310,389	100%
FYE 1999	392,192	-	392,192	3,780,113	2,077,532	1,702,581	100%
FYE 2000	561,634	100,000	461,634	4,341,747	2,177,532	2,164,215	100%
FYE 2001	153,402	2,205	151,197	4,495,149	2,179,737	2,315,412	100%
FYE 2002	179,383	724,218	(544,835)	4,674,532	2,903,955	1,770,577	100%
FYE 2003	420,076	677,578	(257,502)	5,094,608	3,581,533	1,513,075	100%
FYE 2004	193,340	2,075,781	(1,882,441)	5,287,948	5,657,314	(369,366)	100%
FYE 2005	637,021	278,840	358,181	5,924,969	5,936,154	(11,185)	100%
FYE 2006	322,825	410,431	(87,606)	6,247,794	6,346,585	(98,791)	100%
FYE 2007	301,602	221,679	79,923	6,549,396	6,568,264	(18,868)	100%
FYE 2008	413,130	1,029,357	(616,227)	6,962,526	7,597,621	(635,095)	100%
FYE 2009	39,648	753,430	(713,782)	7,002,174	8,351,051	(1,348,877)	100%
FYE 2010	122,370	754,593	(632,223)	7,124,544	9,105,644	(1,981,100)	100%
FYE 2011	540,453	157,559	382,894	7,664,997	9,263,203	(1,598,206)	100%
FYE 2012	447,462	1,023,635	(576,173)	8,112,459	10,286,838	(2,174,379)	100%
FYE 2013	701,114	30,913	670,201	8,813,573	10,317,751	(1,504,178)	100%
FYE 2014	1,800,324	26,443	1,773,881	10,613,897	10,344,194	269,703	97%
FYE 2015	443,149	22,975	420,174	11,057,046	10,367,169	689,877	94%
	<u>\$ 11,057,046</u>	<u>\$ 10,367,169</u>	<u>\$ 689,877</u>				

* Represents 6 month period from January 1 - June 30, 1989

City of Campbell
 Summary of Development Fees and Related Expenditures
 January 1, 1989 through June 30, 2015

<u>Vehicle Impact Fund</u>							
Year Collected	Fees Collected	Fees Expended	Unspent (Overspent) Fees	Cumulative Fees	Cumulative Expenditures	Fees Over (Under) Expenditures	Cumulative Percent of Fees Expended
FYE 2009	\$ 109,726	\$ -	\$ 109,726	\$ 109,726	\$ -	\$ 109,726	100%
FYE 2010	49,194	-	49,194	158,920	-	158,920	100%
FYE 2011	140,141	-	140,141	299,061	-	299,061	100%
FYE 2012	127,022	139,067	(12,045)	426,083	139,067	287,016	100%
FYE 2013	129,509	212,175	(82,666)	555,592	351,242	204,350	100%
FYE 2014	247,354	298,832	(51,478)	802,946	650,074	152,872	100%
FYE 2015	136,919	289,791	(152,872)	939,865	939,865	-	100%
	<u>\$ 939,865</u>	<u>\$ 939,865</u>	<u>\$ -</u>				



City Council Report

Item: 8.
Category: Public Hearing
Date: January 5, 2016

TITLE: Public Hearing – Resolution Directing the Community Development Director to Proceed with Abatement of Hazardous Vegetation. (Resolution/Roll Call)

RECOMMENDATION

1. **Adopt a Resolution**, directing the Community Development Director to proceed with the abatement of hazardous vegetation by the Santa Clara County Agricultural Commissioner's Office.

DISCUSSION

The City of Campbell contracts with the Santa Clara County Agricultural Commissioner's Office to abate hazardous vegetation (weeds) within the City. At its meeting of December 1, 2015, the City Council declared hazardous vegetation to be a public nuisance pursuant to CMC 17.54.020. The attached resolution will allow the County to proceed with abatement action on 44 properties identified as having hazardous vegetation (currently or within the last three years).

The Santa Clara County Agricultural Commissioner's Office has initiated the abatement program for the 2016 fire season by taking the follow actions:

- Providing notice to the listed property owners by mail;
- Giving property owners program guidelines and information to assist them to reach compliance with the Minimum Fire Safety Standards required by the Municipal Code;
- Informing property owners of the County's intention to abate this public nuisance unless the property owners return a card indicating their intention to voluntarily maintain their property; and
- Informing the property owners that they may also request that the County's contractor perform any necessary abatement services, wherein an assessment may be placed on the tax rolls for services rendered.

This is a Public Hearing to hear objections from property owners regarding removal of hazardous vegetation on private property or public streets or alleys. Following the public hearing, it would be appropriate for the Council to adopt a resolution directing the Community Development Director to proceed with the abatement of hazardous vegetation by the Santa Clara County Agricultural Commissioner's Office.

FISCAL IMPACT

None to the City.

ALTERNATIVES

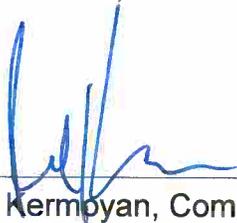
1. Take no action, requiring that removal of hazardous vegetation be instigated through Code Enforcement action.

Prepared by:



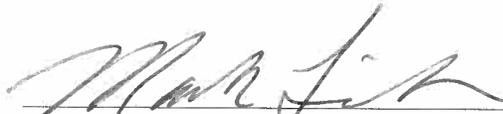
Daniel Fama, Associate Planner

Reviewed by:



Paul Kermoyan, Community Development Director

Approved by:



Mark Linder, City Manager

Attachments

1. Resolution Declaring Hazardous Vegetation a Public Nuisance
 - a. Exhibit A - Year 2016 Listing of Properties

RESOLUTION NO. _____

BEING A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL DIRECTING THE COMMUNITY DEVELOPMENT DIRECTOR TO PROCEED WITH THE ABATEMENT OF HAZARDOUS VEGETATION.

WHEREAS, hazardous vegetation constituting a public nuisance has been found to exist on those properties described in **Exhibit A** within the past three years, attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Campbell, California, that the Community Development Director is directed to cause the abatement of the aforementioned nuisance.

PASSED AND ADOPTED this _____ day of _____, 2016, by the following roll call vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAINED:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

APPROVED: _____
Jason Baker, Mayor

ATTEST: _____
Wendy Wood, City Clerk

**2016 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF CAMPBELL**

Situs	APN	EXHIBIT A	CITY/STATE
95	HAMILTON AV 279-27-096	95 HAMILTON LLC	1361 S WINCHESTER BL #206 SAN JOSE CA 95128
675	CREEKSIDE WA 288-01-025	HAMILTON CAMPBELL LLC	1690 DELL AVE CAMPBELL CA 95008
1111	CAMEO DR 288-06-067	HARDY ROBERT R ET AL	845 CROSSBROOK CT MORAGA CA 94556
2295 S	WINCHESTER BLV305-34-004	GABILAN STREET LLC	389 FIRST ST LOS ALTOS CA 95022
2305	WINCHESTER BLV305-34-005	GABILAN STREET LLC	389 FIRST ST LOS ALTOS CA 95022
1115 W	DENVER DR 307-43-031	O LEARY MICHAEL J AND KAYE K	1115 DENVER DR CAMPBELL CA 95008-0308
1335	CAMPBELL AV 307-50-062	CHENGSON DAVID P TRUSTEE & ET	511 CALLE SERRA APTOS CA 95003
	NO SITUS 403-09-098	LEE FON-CHEN AND FRAN WHEI-	10935 MIRAMONTE RD CUPERTINO CA 95014-3971
	NO SITUS 403-09-099	LEE FON CHEN AND WHEI FANG	10935 MIRAMONTE RD CUPERTINO CA 95014-3971
	NO SITUS 403-09-100	LEE FON CHEN AND WHEI FANG	10935 MIRAMONTE RD CUPERTINO CA 95014-3971
1440	ELAM AV 403-10-070	BENEVENTO WILLIAM R AND BETTY	12270 KIRKDALE DR SARATOGA CA 95070-3149
1265	WESTMONT AV 403-10-079	AU ALEXANDER W	1265 WESTMONT AVE CAMPBELL CA 95008-5901
	WESTMONT AV 403-10-114	DEGAN DEVELOPMENT CORP	2959 S WINCHESTER BLVD, CAMPBELL CA 95008
1445 S	WESTMONT AV 403-10-116	PFISTER KRISTINE TRUSTEE	834 MAYO CT BENICIA CA 94510
1009 S	SAN TOMAS RD 403-10-124	NORCAL HOUSESMITH INVESTMENT	236 LAS MIRADAS DR LOS GATOS CA 95032-7687
1411	WESTMONT AV 403-10-125	DEGAN DEVELOPMENT CORP	2959 S WINCHESTER BLVD, CAMPBELL CA 95008
	SAN TOMAS 403-14-016	BARNES DAVID A TRUSTEE	18180 BAYVIEW DR LOS GATOS CA 95033-0000
	NO SITUS 403-18-102	KRAJA ALI N AND HAVA ET AL	10171 HILLCREST RD CUPERTINO CA 95014-1049
1660	HACIENDA CT 403-18-111	WILLIAMS KRAIG	1418 SHAFFER DR SAN JOSE CA 95132-3616
651	BUDD AV 404-24-033	ZHANG HONGQING	651 BUDD AVE CAMPBELL CA 95008-4642
510	BUDD AV 404-26-036	PHILLIPS MARK S	510 BUDD AVE CAMPBELL CA 95008-4611
555	EMORY AV 404-26-037	DONNARD JERRY T	555 EMORY AVE CAMPBELL CA 95008-4639
944	VIRGINIA AV 404-33-038	PASTRE ERNIE AND GRACE	302 LAUREL AVE MENLO PARK CA 94025-2819

**2016 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF CAMPBELL**

Situs	APN	EXHIBIT A	CITY/STATE
587 VIRGINIA	AV 406-01-006	TAGATAC ERNEST M AND SANDRA S 587 VIRGINIA AVE	CAMPBELL CA 95008-4605
625 VIRGINIA	AV 406-01-009	ALTUS CHRISTINA M AND STEPHEN 625 VIRGINIA AVE	CAMPBELL CA 95008-4605
955 LINDA	DR 406-05-017	TREMAIN MATT 955 LINDA DR	CAMPBELL CA 95008-4505
965 LINDA	DR 406-05-018	LU EDDIE C AND LILIEN T ET AL 965 LINDA DR	CAMPBELL CA 95008-4505
999 LINDA	DR 406-05-021	MAGERIAN SIROP O 7330 JELICO AVE	LAKE BALBOA CA 91406
891 W CONNIE	DR 406-05-045	SCHUMACHER RICHARD 891 CONNIE DR	CAMPBELL CA 95008-4501
870 SUNNYOAKS	AV 406-12-047	KHOSRAVIANI ESFANDIAR AND 870 W SUNNYOAKS AVE	CAMPBELL CA 95008-6046
700 HACIENDA	AV 406-19-036	ALMASI AZITA TRUSTEE 965 LAUREL GLEN DR	PALO ALTO CA 94304-1323
1425 CAPRI	DR 406-23-004	YOFFE ORLY AND DMITRY 1425 CAPRI DR	CAMPBELL CA 95008-6818
1229 POLLARD	RD 406-25-011	OVERHOUSE RICHARD G AND DIANA 1243 POLLARD RD	LOS GATOS CA 95030
1420 BURROWS	RD 406-25-039	BROWN HUGH O 1420 BURROWS RD	CAMPBELL CA 95008-6303
67 KENNEDY	AV 412-04-012	WESTERN PACIFIC HOUSING, INC. 5050 HOPYARD RD STE 180	PLEASANTON CA 94588
45 KENNEDY	AV 412-04-013	WESTERN PACIFIC HOUSING, INC. 5050 HOPYARD RD STE 180	PLEASANTON CA 94588
69 KENNEDY	RD 412-04-078	WESTERN PACIFIC HOUSING, INC. 5050 HOPYARD RD STE 180	PLEASANTON CA 94588
280 DILLON	AV 412-08-030	ROBSON HOMES LLC 2185 THE ALAMEDA UNIT 150	SAN JOSE CA 95126
230 DILLON	AV 412-08-034	ROBSON HOMES LLC 2185 THE ALAMEDA UNIT 150	SAN JOSE CA 95126
DILLON	AV 412-08-035	ROBSON HOMES, LLC 2185 THE ALAMEDA UNIT 150	SAN JOSE CA 95126
1500 CAMDEN	AV 414-04-005	KOBATA TORAGUSU AND KIMIYO 3426 KATHLEEN ST	SAN JOSE CA 95124-2135
1323 PARSONS	AV 414-37-008	RIDGECREST GROUP INC 3395 S BASCOM AVE	CAMPBELL CA 95008
1766 WHITE OAKS	RD 414-40-011	BRACHER ERIC A TRUSTEE & ET AL 19542 CHARDONNAY CT	SARATOGA CA 95070-4460
1700 WHITE OAKS	RD 414-40-016	SPIVEY FRANK L TRUSTEE 1700 WHITE OAKS RD	CAMPBELL CA 95008-7118



City Council Report

Item: 9.
Category: Public Hearing
Date: January 5, 2016

TITLE Public hearing to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Ordinance to create regulations for payday lenders and check cashing establishments (Resolution/Ordinance/Roll Call).

RECOMMENDATION

The Planning Commission recommends that the City Council take the following action:

1. **Adopt the attached Resolution**, finding that the proposed Zoning Text Amendment is exempt from CEQA (**Attachment 1**).
2. **Take a first reading and introduce the attached Ordinance (Attachment 2)**, approving a Zoning Text Amendment (PLN2015-294) amending the following to the Campbell Zoning Code: Chapter 21.10 (Commercial and Industrial Districts); Chapter 21.12 (Special Purpose Districts); Section 21.72.020 (Definitions); and Chapter 21.36 (Provisions Applying to Special Uses) of the Zoning Ordinance to create regulations for payday lenders.

ENVIRONMENTAL DETERMINATION

Modifications to the Zoning Code are considered a project under the California Environmental Quality Act (CEQA) however staff's analysis of the Initial Study checklist has led to the conclusion that adopting the proposed ordinance is exempt from CEQA under Section 15061.b.3 because it has no potential for resulting in a physical change to the environment.

BACKGROUND

The City Council held a public hearing to consider the proposed text amendment at its meeting of November 17, 2015 (**Attachment 4** – City Council Staff Report). The attached meeting minutes (**Attachment 3**) indicate that the City Council discussed various elements of the proposed amendment, notably, whether to include in the ordinance existing check cashing businesses without payday lending services, whether to grandfather the number and location of existing payday lending businesses, and whether to continue the item until draft federal regulations are available in January 2016.

After considerable discussion, the City Council voted 3-2 to revise the ordinance to remove check cashing only businesses, grandfather the four existing businesses at their current locations, cap the number of payday lenders at three, and to bring back the ordinance for first reading at the January 5th City Council meeting.

DISCUSSION

The revised ordinance (**Attachment 2**) applies only to businesses offering payday lending services, omitting check cashing only businesses. Under the revised ordinance, the four

existing payday lenders will be allowed to continue in their current locations, but will need to comply with the operational requirements introduced by the ordinance. The revised ordinance maintains the locational requirements in previous versions for new payday lenders, creating five commercial quadrants, where only one payday lender may be permitted in each, subject to approval of a Conditional Use Permit in a C-2 zoning district.

The revised ordinance also maintains the cap of three payday lenders. Therefore, if one of the four existing businesses closes, it cannot be replaced and no new payday lending businesses can be approved until two existing businesses close. However, a new provision allows the four existing payday lenders to relocate into appropriate commercial quadrants upon approval of a Conditional Use Permit, regardless of the number of businesses.

FISCAL IMPACTS

There are no fiscal impacts associated with preparing the recommended Zoning Text Amendment. In terms of loss of tax revenue, these types of businesses do not produce much tax since they are more of a service oriented operation.

ALTERNATIVES

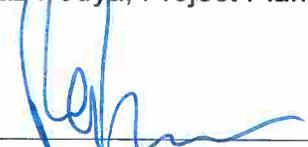
1. Revise specific sections of the proposed text amendment.
2. Continue for further review.
3. Do not approve the proposed text amendment.

Prepared by:



Naz Pouya, Project Planner

Reviewed by:



Paul Kermoyan, Community Development Director

Approved by:



Mark Linder, City Manager

Attachments:

1. Draft City Council Resolution
2. Draft City Council Ordinance adopting a Text Amendment
3. City Council Meeting Minutes, dated November 17, 2015
4. City Council Staff Report, dated November 17, 2015
5. City Council Meeting Desk Items
6. Planning Commission Meeting Minutes, dated October 27, 2015
7. Planning Commission Staff Report, dated October 27, 2015
8. Planning Commission Meeting Desk Items
9. Draft City Council Ordinance Changes

RESOLUTION NO. ____

BEING A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL FINDING THAT THE PROPOSED ZONING TEXT AMENDMENT (PLN2015-294) AMENDING THE FOLLOWING TO THE CAMPBELL MUNICIPAL CODE: CHAPTER 21.10 (COMMERCIAL AND INDUSTRIAL DISTRICTS); CHAPTER 21.12 (SPECIAL PURPOSE DISTRICTS); SECTION 21.72.020 (DEFINITIONS); AND CHAPTER 21.36 (PROVISIONS APPLYING TO SPECIAL USES) OF THE ZONING ORDINANCE TO CREATE REGULATIONS FOR PAYDAY LENDERS IS EXEMPT FROM CEQA.

After notification and public hearing, as specified by law and after presentation by the Community Development Director, proponents and opponents, the hearing was closed.

The City Council finds as follows with regard with regard to file number PLN2015-294:

1. The project consists of a Text Amendment amending the following to the Campbell Zoning Code: Chapter 21.10 (Commercial and Industrial Districts); Chapter 21.12 (Special Purpose Districts); and Section 21.72.020 (Definitions), and Chapter 21.36 (Provisions Applying to Special Uses) of the Zoning Ordinance to create regulations for payday lenders.
2. The legislature of the State of California has, in Government Code Sections 65302, 65560 and 65800, conferred upon local government units the authority to adopt regulations designed to promote the public health, safety and general welfare of its citizenry.
3. Review and adoption of this Text Amendment is done in compliance with California Government Code Sections 65853 through 65857, which require a duly noticed public hearing of the Planning Commission whereby the Planning Commission shall provide its written recommendation to the City Council for its consideration.
4. The City of Campbell recognizes the importance of promoting the public health, safety and general welfare, and providing adequate locations for the establishment of various uses that serve the community.

Based upon the foregoing findings of fact, the City Council further finds and concludes that:

1. The proposed amendment is consistent with the goals, policies, and actions of the General Plan;
2. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City; and
3. The proposed amendment is internally consistent with other applicable provisions of the Zoning Code.

4. No substantial evidence has been presented from which a reasonable argument could be made that shows that the project will have a significant adverse impact on the environment.
5. The proposed Text Amendment project is exempt from the California Environmental Quality Act under Section 15061.b.3 because it has no potential for resulting in a physical change to the environment.

THEREFORE, BE IT RESOLVED that the City Council adopts a Resolution finding the Proposed Zoning Text Amendment is Exempt from the California Quality Act, pursuant to the attached Notice of Exemption (attached **Exhibit A**).

PASSED AND ADOPTED this 5th day of January, 2016, by the following roll call vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

APPROVED: _____
Jason T. Baker, Mayor

ATTEST: _____
Wendy Wood, City Clerk



CITY OF CAMPBELL
Community Development Department

NOTICE OF EXEMPTION

To: _____ X _____	Office of Planning & Research 1400 Tenth Street, Room 121 Sacramento, CA 95812-3044 County Clerk's Office Santa Clara County 70 W. Hedding Street, East Wing San Jose, CA 95110	From: City of Campbell 70 N. First Street Campbell, CA 95008
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Project Title: Text Amendment to Create Regulations for Payday Lenders

Project Location: City Wide

Description of Project: The project consists of a Text Amendment (PLN2015-294) amending the following to the Campbell Zoning Code: Chapter 21.10 (Commercial and Industrial Districts); Chapter 21.12 (Special Purpose Districts); and Section 21.72.020 (Definitions), and Chapter 21.36 (Provisions Applying to Special Uses) of the Zoning Ordinance to create regulations for payday lenders.

Date of Approval: January 5, 2016 (effective February 18, 2016)

Lead Agency: City of Campbell

Lead Agency Contact: Naz Pouya, Project Planner – Community Development Department
(408) 866-2144 / nazp@cityofcampbell.com

Name of Applicant: City of Campbell

Exempt Status (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a);
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c);
- CEQA Exemption (Sec. 15601.b.3)

Reasons why project is exempt: The proposed Text Amendment is exempt from the California Quality Act under Section 15601.b.3 because it has no potential for resulting in a physical change to the environment. Furthermore, no substantial evidence has been presented from which a reasonable argument could be made that shows that the project will have a significant adverse impact on the environment.

This is to certify that the City of Campbell has deemed the above described project categorically exempt from review under the California Environmental Quality Act. A record of the above described project is available to the general public at the Community Development Department, City of Campbell, 70 N. First Street, Campbell, CA 95008.

Signature: _____ Date: _____ Title: Project Planner

Ordinance No. _____

**BEING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AMENDING CERTAIN SECTIONS OF TITLE 21 (Zoning) OF THE CAMPBELL
MUNICIPAL CODE RELATING TO PAYDAY LENDING ESTABLISHMENTS**

The City Council of the City of Campbell does ordain as follows:

SECTION 1. Findings: There is significant evidence that payday lending businesses significantly undermine the financial stability of low-income communities. Payday lenders generally offer small, fourteen-day loans for which they charge effective interest rates upwards of 460% annual percentage rate (APR). These businesses operate almost exclusively in low-income neighborhoods and prey upon the City's most financially vulnerable residents.

SECTION 2. Prohibition of Payday Lending in P-O District: Subsection D of Campbell Municipal Code section 21.10.030 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Prohibited uses in P-O (Professional Office) zoning district. The following uses are prohibited:

1. Storage of commercial and industrial vehicles, except for the purpose of loading and unloading-;
2. The storage or warehousing of merchandise or products in the building or on the premises, unless otherwise approved-;
3. The outdoor storage of merchandise or products-;
4. The assembly, compounding, manufacturing, or processing of merchandise or products, except such as are customarily incidental or essential to permitted retail commercial and service uses-;
5. Any use which is obnoxious or offensive or creates a nuisance to the occupants or commercial visitors of adjacent buildings or premises by reason of the emissions of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbances-;
6. Payday lender;
7. Any use inconsistent with state or federal law.

SECTION 3. Prohibition of Payday Lending in C-1 District: Subsection D of Campbell Municipal Code section 21.10.040 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Prohibited uses in C-1 (Neighborhood Commercial) zoning district. The following uses are prohibited:

1. Storage of industrial vehicles, except for the purpose of loading and unloading-;
2. The storage or warehousing of merchandise or products in the building or on the premises for sale other than at retail on the premises-;
3. The outdoor storage of merchandise or products, unless otherwise approved-;
4. The assembly, compounding, manufacturing, or processing of merchandise or products, except such as are customarily incidental or essential to permitted retail commercial and service uses-;
5. Any use which is obnoxious or offensive or creates a nuisance to the occupants or commercial visitors of adjacent buildings or premises by reason of the emissions of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbances-;
6. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.)-;
7. Payday lender;
8. Any use inconsistent with state or federal law.

SECTION 4. Requirement for Use Permit for Payday Lending in C-2 District: Subsection C of Campbell Municipal Code section 21.10.050 is amended to read as follows, with underlining indicating new text and ~~strikeouts~~ (~~strikeout~~) indicating deleted text:

Uses allowed with conditional use permit in C-2 (General Commercial) zoning district. The following uses are permitted with a conditional use permit in compliance with Chapter 21.46 (Conditional Use Permits):

1. Adult day care facilities;
2. Alternative fuels and recharging facilities;
3. Arcades;
4. Banquet facilities;
5. Bed and breakfast inns (only in historic structures);
6. Broadcast and recording studios;
7. Caretaker/employee housing (not to exceed six hundred forty square feet and one bedroom);
8. Cat and dog day care facilities;

9. Cat and dog grooming facilities;
10. Cat Boarding facilities;
11. Check cashing;
12. Commercial day care centers;
13. Commercial schools;
14. Community/cultural/recreational centers;
15. Convalescent/rest homes;
16. Convenience markets/stores;
17. Conversion, commercial converted from residence;
18. Dancing and live entertainment;
19. Department stores;
20. Drive-in theaters;
21. Emergency shelters;
22. Equipment rental establishments;
23. Gasoline stations;
24. Golf courses and golf driving ranges;
25. Government offices and facilities (local, state or federal);
26. Grocery stores (greater than ten thousand square feet);
27. Hardware stores (greater than ten thousand square feet);
28. Health/fitness centers;
29. Hospitals;
30. Indoor amusement/entertainment/recreation centers;
31. Late night activities;
32. Liquor establishments (on-site consumption only);
33. Liquor stores (off-site consumption only);
34. Medical services, clinics;
35. Medical services, extended care;
36. Miniature golf courses;

37. Motor vehicle - cleaning, washing, and detailing;
38. Motor vehicle - oil change facilities;
39. Motor vehicle - parts and supplies (very limited maintenance/installation);
40. Motor vehicle - renting and leasing;
41. Motor vehicle - sales (new and/or used);
42. Museums, public;
43. Music (recordings) stores;
44. Nightclubs with or without food service;
45. Outdoor active activities (e.g., drive-up windows);
46. Outdoor amusement/entertainment/recreation centers;
47. Outdoor retail sales and activities;
48. Outdoor seating, when more than twelve total seats;
49. Payday lender, subject to the requirements of section 21.36.260;
50. Personal services, limited;
51. Pet stores;
52. Pharmacies/drug stores, with drive-up service;
53. Philanthropic collection trailers;
54. Public assembly uses;
55. Public utility structures and service facilities;
56. Public works maintenance facilities and storage yards;
57. Radio or television transmitters;
58. Radio stations;
59. Recycling facilities - reverse vending machines;
60. Recycling facilities - small collection facility;
61. Restaurants with late night activities or banquet facilities;
62. Restaurants, fast food (with or without drive-in service);
63. Schools - K—12, private;
64. Second hand/thrift stores;

65. Shopping centers (greater than ten thousand square feet);
66. Sign shops;
67. Spa services;
68. Studios, large;
69. Studios, small;
70. Tanning studios;
71. Theaters, movie or performing arts;
72. Transitional housing;
73. Tutoring center, large;
74. Tutoring center, small;
75. Universities/colleges, private;
76. Veterinary clinics and animal hospitals;
77. Video rental stores;
78. Warehouse retail stores;
79. Wireless telecommunications facilities - non-stealth.

SECTION 5. Prohibition of Payday Lending in C-3 District: Subsection D of Campbell Municipal Code section 21.10.060 is amended to read as follows, with underlining indicating new text and strikeouts (strikeout) indicating deleted text:

Prohibited uses in C-3 (Central Business District) zoning district. The following uses are prohibited in the C-3 district:

1. Storage of industrial vehicles, except for the purpose of loading and unloading;
2. The storage or warehousing of merchandise or products in the building or on the premises for sale other than at retail on the premises;
3. The outdoor storage of merchandise or products, unless otherwise approved, in compliance with subsection H of this section;
4. The assembly, compounding, manufacturing or processing of merchandise or products, except such as are customarily incidental or essential to permitted retail commercial and service uses;
5. Any use which is obnoxious or offensive or creates a nuisance to the occupants or commercial visitors of adjacent buildings or premises by reason of the emission of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbance;

6. Auto repair;
7. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.);
8. Payday lender;
9. Any use inconsistent with state or federal law.

SECTION 6. Prohibition of Payday Lending in C-M District: Subsection D of Campbell Municipal Code section 21.10.070 is amended to read as follows, with underlining indicating new text and ~~strikeout~~ indicating deleted text:

Prohibited uses in C-M (Controlled Manufacturing) zoning district. The following uses are prohibited:

1. Any use which is obnoxious or offensive or creates a nuisance to the area by reason of the emission of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbances;
2. The use of any building that was constructed as a residential structure. Such building is considered nonconforming and subject to the provisions of Chapter 21.58 (Nonconforming Uses and Structures);
3. The storage of raw, in process, or finished material and supplies, and of waste materials outside of an enclosed building;
4. All incineration;
5. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.);
6. Payday lender;
7. Any use inconsistent with state or federal law.

SECTION 7. Prohibition of Payday Lending in M-1 District: Subsection D of Campbell Municipal Code section 21.10.080 is amended to read as follows, with underlining indicating new text and ~~strikeout~~ indicating deleted text:

Prohibited uses in M-1 (Light Industrial) zoning district. The following uses are prohibited:

1. Any use which is obnoxious or offensive or creates a nuisance to the area by reason of the emission of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbances;
2. The use of any building that was constructed as a residential structure. Such building is considered nonconforming and subject to the provisions of Chapter 21.58 (Nonconforming Uses and Structures);

3. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.);
4. Payday lender;
5. Any use inconsistent with state or federal law.

SECTION 8. Prohibition of Payday Lending in C-PD District: Subsection D of Campbell Municipal Code section 21.12.020 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Restrictions. The C-PD zoning district is the only zoning district in which the construction of new condominiums, or the conversion of existing residential, commercial, or industrial structures to condominiums, is allowed. The following uses are expressly prohibited:

1. Any use inconsistent with state or federal law;
2. Payday lender.

SECTION 9. Prohibition of Payday Lending in P-D District: Subsection F of Campbell Municipal Code section 21.12.030 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Prohibited uses in the P-D (Planned Development) zoning district. The following uses are prohibited:

1. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.);
2. Payday lender;
3. Any use inconsistent with state or federal law.

SECTION 10. Prohibition of Payday Lending in P-F District: Subsection E of Campbell Municipal Code section 21.12.040 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Uses prohibited. The following uses are prohibited in the P-F zoning district:

1. Storage of commercial or industrial vehicles, except for the purpose of loading or unloading;
2. Storage of equipment, materials, or supplies for commercial or industrial purposes;
3. Payday lender;
4. Any use inconsistent with state or federal law.

SECTION 11. Reorganization of Provision for P-F/OS District: Subsection D of Campbell Municipal Code section 21.12.050 is amended to read as follows, with underlining indicating new text and ~~strikeout~~ indicating deleted text:

Development standards. New land uses and structures, and alterations to existing uses or structures shall be designed, constructed, and/or established in compliance with the requirements in Table 2-16 (General Development Standards - P-F/O-S Zoning District), in addition to the general development standards (e.g., landscaping, parking and loading, etc.) in Article 3 (Development and Operational Standards).

~~1. Any use inconsistent with state or federal law.~~

SECTION 12. Prohibition of Payday Lender in PF/OS District: Subsection E is added to Campbell Municipal Code section 21.12.050 to read as follows:

Prohibited Uses in the PF/OS zoning district. The following uses are prohibited:

1. Payday lender;

2. Any use inconsistent with state or federal law.

SECTION 13. Liquor stores: Section 21.36.110 of Campbell Municipal Code is amended to read as follows with underlining indicating new text:

This section provides locational and operational standards for the establishment of off-site alcoholic beverage sales, in compliance with Article 2 (Zoning Districts), which shall be subject to the following criteria and standards:

A. Conditional use permit required. Off-site alcoholic sales establishments shall be allowed by conditional use permit, in compliance with Chapter 21.46, (Conditional Use Permits), and subject to all of the restrictions of the applicable zoning district.

B. Plans. Plot plans, landscaping and irrigation plans, and floor plans shall be subject to the approval of the planning commission.

C. Proximity to sensitive receptors. All off-site alcoholic sales establishments, except grocery stores, shall be separated from a park, playground, or school a minimum distance of 300 feet measured between the nearest property lines.

D. Proximity to other establishments. All off-site alcoholic establishments, except grocery stores, shall be a minimum of 500 feet from another such use, either within or outside the city.

E. Additional conditions. The planning commission may add additional conditions required to protect the public health, safety, and general welfare of the community.

F. Proximity to payday lenders. All off-site alcoholic establishments, except grocery stores, shall be a minimum of 500 feet from any payday lender, either within or outside the city.

SECTION 14. Restrictions on Payday Lending Establishments: Section 21.36.260 is hereby added to Chapter 21.36 of the Campbell Municipal Code to read as follows with underlining indicating new text:

Payday Lending Establishments.

A. Conditional use permit required. Payday lending establishments shall be allowed by conditional use permit, in compliance with Chapter 21.46 (Conditional Use Permits), and subject to all of the restrictions of the C-2 (General Commercial) zoning district.

B. Locational Requirements. Payday lenders shall meet all of the following conditions:

1. No payday lenders shall be located in any zone in the city other than the C-2 (General Commercial) zoning district.

2. No payday lenders shall be located within a low income census tract, as defined by the area inside San Tomas Expressway and South Winchester Boulevard, from the intersection of San Tomas Expressway and South Winchester Boulevard, north to the city limits.

3. No payday lenders shall be located within 500 feet from any off-site alcoholic establishment, except grocery stores, either within or outside the city.

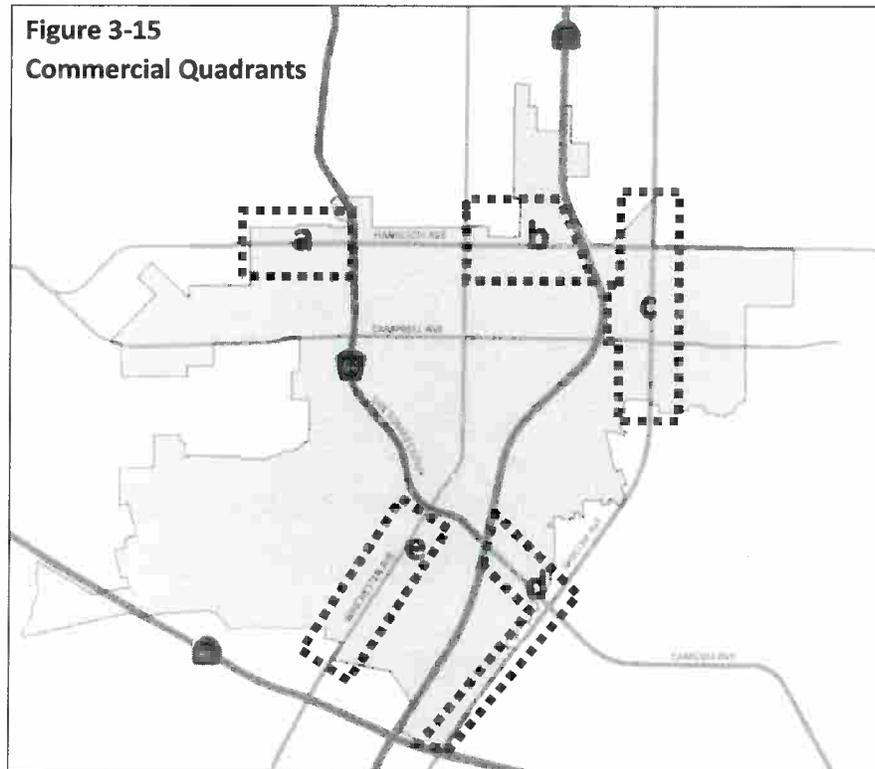
4. Except as provided in subsection C, in no event shall there be more than three payday lenders within the City.

5. Payday lenders may be permitted in the following commercial quadrants as indicated in Figure 3-15, upon filing an application for a Conditional Use Permit and satisfying the required findings to support such use. In no event shall there be more than one payday lender in each commercial quadrant.

a. West Hamilton Avenue, west of San Tomas Expressway;

b. East Hamilton Avenue, east of South Winchester Boulevard and west of Highway 17;

- c. South Bascom Avenue, north of Dry Creek Road;
- d. Camden Avenue and South Bascom Avenue, south of Camden Avenue;
- e. South Winchester Boulevard, south of Sunnyside Avenue



C. Nonconforming Uses. Any use of real property lawfully existing on the effective date of this section, which does not conform to the provisions of this section, but which was constructed, operated, and maintained in compliance with all previous regulations, shall be regarded as a nonconforming use and may continue in compliance with the regulations of Section 21.58.040. Upon obtaining a Conditional Use Permit, a non-conforming payday lender that was in existence prior to the effective date of this section may relocate at any time into one of the commercial quadrants identified in paragraph 5 of subsection B even if the total number of payday lenders in the City exceeds three.

Notwithstanding the above provision, nonconforming uses shall come into compliance with the operational requirements of subsection D of this section within 30 days of the effective date of the ordinance enacting this section.

D. Operational Requirements. Payday lenders shall meet all of the following conditions:

1. Hours of operation must be between the hours of 7 a.m. to 7 p.m. daily.
2. No security bars shall be placed on doors or windows.
3. Notwithstanding any other provision of the Municipal Code, window signs shall not exceed 10 percent of the window area per façade.

SECTION 15. Definition of Banks and Financial Services: The definition of "Banks and financial services" in subsection B of Section 21.72.020 of the Campbell Municipal Code is amended to read as follows, with underlining indicating new text and ~~strikeout~~ indicating deleted text:

"Banks and financial services" means financial institutions including:

1. Banks and trust companies;
2. Credit agencies;
3. Holding (but not primarily operating) companies;
4. Lending and thrift institutions;
5. Other investment companies;
6. Securities/commodity contract brokers and dealers;
7. Security and commodity exchanges;
8. Vehicle finance (equity) leasing agencies.

See also ~~"Automated teller machine."~~ But "Banks and financial services" does not include "Check cashing or Payday lending."

SECTION 16. Definition of Payday lender: Subsection P of Section 21.72.020 of the Campbell Municipal Code is amended to insert the following definition of "Payday lender" between the definitions of "Parks, public" and "Personal services, limited," to read as follows, with underlining indicating new text:

"Payday lender" means a retail business owned or operated by a "licensee" as that term is defined in California Financial Code section 23001(d), as amended from time to time.

SECTION 17. This Ordinance shall become effective (30) days following its passage and adoption and shall be published once within fifteen (15) days upon passage and adoption in the Campbell Express, a newspaper of general circulation in the City of Campbell, County of Santa Clara.

PASSED AND ADOPTED this _____ day of _____, 2016 by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk

CITY COUNCIL MINUTES

City of Campbell, 70 North First Street, Campbell, California



CITY COUNCIL EXECUTIVE SESSION

Tuesday November 17, 2015 – 5:30 p.m.

Ralph Doetsch Conference Room - 70 N. First Street

- A. **Personnel - Pursuant to G.C. Section 54957: Public Employee Performance Evaluation – City Manager**
- B. **Litigation**
- C. **Real Property**
- D. **Labor Negotiations**

Council met in Executive Session regarding Item A. Executive Session adjourned at 6:25 p.m.

REGULAR MEETING OF THE CAMPBELL CITY COUNCIL

Tuesday, November 17, 2015 – 7:30 p.m.

Council Chamber – 70 N. First Street

Note: This Regular Meeting was duly noticed pursuant to open meeting requirements of the Ralph M. Brown Act (G.C. Section 54956).

This meeting was recorded and can be viewed in its entirety at www.cityofcampbell.com/agendacenter.

CALL TO ORDER/ROLL CALL

The City Council of the City of Campbell convened this day in the regular meeting place, the Council Chamber of City Hall, 70 N. First Street, Campbell, California.

Roll Call:

Present: Councilmembers: Gibbons, Resnikoff, Kotowski, Baker, Cristina

Absent: Councilmembers: None

Pledge: Bob Carlson

The pledge was led by Bob Carlson. The Mayor thanked him for leading the pledge and presented him with a certificate of appreciation.

SPECIAL PRESENTATIONS AND PROCLAMATIONS

1. **Presentation by Public Works Director to Thank Campbell Rotary, Home Church, Crossings Community Church, Westmont Key Club, Interact Clubs from Willow Glen, and Mitty High Schools, and Harker and Starbird Schools for their Participation in the Clean-up and Improvement Projects at Campbell, Jack Fisher, and John D. Morgan Parks**

Public Works Director Capurso spoke about the parks and thanked Bob Carlson and all the organizations that volunteered to help with the clean-up and improvement projects at Campbell Park, Jack Fisher Park, and John D. Morgan Park.

Bob Carlson stated that the City has been very cooperative on all the projects and presented Councilmember Resnikoff with a golden shovel to recognize him for volunteering at almost every event.

COMMUNICATIONS AND PETITIONS

There were no communications and petitions.

ORAL REQUESTS

Davidson Haworth, San Jose resident, spoke about the Campbellcon event that was held on November 7, 2015 and presented the City with a drawing signed by various celebrities that were in attendance at the event.

COUNCIL ANNOUNCEMENTS

The holidays are coming to the Ainsley House November 19th through December 20th.

Please join us at the Ainsley House for many events in celebration of "*Christmas around the World.*" Each room in the Ainsley House will be decorated using a country or a cultural tradition as their inspiration.

Photos with Santa will take place on November 28th from 10:00 a.m. to 1:00 p.m. The cost for this event is \$10.00 per family. Please bring your own camera for photos.

Holiday Tea and Tours will take place December 2nd to December 13th; the cost is \$40.00 per person. Admission includes full champagne tea, tour of the Ainsley House and entry into the Holiday Boutique. The teas are sponsored by the Museum Foundation and reservations are required.

Holiday Open House Evening Events will be held on December 17th and 20th from 5:30 to 8:00 p.m., the cost is \$15 per adult. Guests will enjoy seeing the Ainsley House at night as well as shopping at the Holiday Boutique.

For more information please contact Kerry Perkins at (408) 866-2718 or at kerry@cityofcampbell.com.

The City Clerk's Office is currently accepting applications for an unscheduled vacancy on the Historic Preservation Board. Applications may be obtained from the City Clerk's Office or by visiting the City's website. Applications are due to the City Clerk's Office by 5:00 p.m. on December 2, 2015. For additional information, contact the City Clerk's Office at (408) 866-2117.

The next regularly scheduled meeting of the City Council will take place on Tuesday, December 1st. This will be the only meeting held in December.

For more information about happenings around the City, please visit our website at www.CityofCampbell.com.

CONSENT CALENDAR

Mayor Cristina stated that he would be pulling item 11 from the Consent Calendar and asked if any Councilmember or anyone in the audience wished to remove any item from the Consent Calendar.

City Manager Linder stated that he would like to pull item 14 and continue it to the January 5, 2016 Council meeting.

The Consent Calendar was considered as follows:

2. **Minutes of Study Session of October 20, 2015 (Continued from November 3, 2015 Council meeting)**

This action approves the minutes of the Study Session of October 20, 2015.

3. **Minutes of Joint Study Session of October 29, 2015 with Council and the Parks and Recreation Commission**

This action approves the minutes of the Joint Study Session of October 29, 2015 with the City Council and the Parks and Recreation Commission.

4. **Minutes of Study Session of November 3, 2015**

This action approves the minutes of the Study Session of November 3, 2015.

5. **Minutes of Regular Meeting of November 3, 2015**

This action approves the minutes of the Regular Meeting of November 3, 2015.

6. **Approving Bills and Claims**

This action approves the bills and claims in the amount of \$1,354,222.85 as follows: payroll checks dated October 22, 2015 in the amount of \$242,350.18;

bills and claims checks dated October 26, 2015; and bills and claims dated November 2, 2015 in the amount of \$350,466.71.

7. **Month Investment Report – September, 2015**

This action is to note and file the monthly investment report for September, 2015.

8. **Approval of Specifications, Call for Bids and Authorization to Purchase Four Unmarked Police Vehicles (Resolution/Roll Call Vote)**

Resolution 11910 approves the specifications and calls for bids for the purchase of four new 2016 unmarked police vehicles; and authorizes the Public Works Director to award the contract for these replacement units to the lowest responsible bidder.

9. **Approval of Budget Adjustment for the Leigh Avenue/Dry Creek Intersection Project (Resolution/Roll Call Vote)**

Resolution 11911 approves a budget adjustment for the Leigh Ave/Dry Creek Road Intersection Improvement Project 12-GG.

10. **Approval of Budget Adjustment for the Creekside Center Project (CIP No. 16-PP) (Resolution/Roll Call Vote)**

Resolution 11912 approves a budget adjustment for the Creekside Center project.

12. **Authorizing a Budget Adjustment to Appropriate Additional Funds to Complete the Dell Avenue Area Plan (Resolution/Roll Call Vote)**

Resolution 11914 approves a budget adjustment for additional funding of consultant services for preparation of the Dell Avenue Area Plan.

13. **Second Reading of Ordinance 2194 Amending Chapter 10 of the Campbell Municipal Code Entitles “Vehicles and Traffic” Approving the Quinquennial (5-Year) Speed Survey and Recommendations (Second Reading of Ordinance/Roll Call Vote)**

Second reading of Ordinance 2194 approves amending Chapter 10 of the Campbell Municipal Code (CMC) entitles “Vehicles and Traffic” section 10.32 “Speed Limit” approving the Quinquennial (5-year) speed survey and recommendations.

M/S: Gibbons/Resnikoff - that the City Council approve the Consent Calendar with the exception of items 11 and 14. Motion was adopted by the following roll call vote:

AYES: Councilmembers: Gibbons, Resnikoff, Kotowski, Baker, Cristina

NOES: Councilmembers: None

ITEMS CONSIDERED SEPARATE FROM THE CONSENT CALENDAR

11. **Approval of Amendment to Memorandum of Understanding with Campbell Police Officers' Association (CPOA) (Resolution/Roll Call Vote)**

Mayor Cristina asked for clarification on this item.

Human Resources Manager Lopez provided a brief explanation of the purpose for the amendment.

M/S: Resnikoff/Gibbons – that the City Council adopt Resolution 11913 approving the side letter to the Memorandum of Understanding (MOU) with Campbell Police Officers' Association (CPOA). Motion was adopted by the following roll call vote:

AYES: Councilmembers: Gibbons, Resnikoff, Kotowski, Baker, Cristina

NOES: Councilmembers: None

14. **Revised Neighborhood Association Assistance Grant Policy**

City Manager Linder requested this item be continued to the January 5, 2016 Council meeting.

M/S: Baker/Gibbons – that the City Council continue item 14 to the January 5, 2016 Council meeting. Motion was adopted unanimously.

PUBLIC HEARINGS AND INTRODUCTION OF ORDINANCES

15. **Public Hearing to Consider the Application of Akbar Abdollahi for a Planned Development Permit (PLN2015-35) to Allow the Construction of Three, Two-story, Detached Single-family Townhomes; Tentative Parcel Map to Subdivide a Parcel into Four Parcels Including One Common Lot (PLN2015-36), Zoning Map Amendment to Allow a PD Zoning Designation (PLN2015-37), Tree Removal Permit (PLN2015-38), and a Negative Declaration (PLN2015-329) for the Property at 1685 Bucknall Road. (Resolution/Roll Call Vote)**

This is the time and place for a public hearing to consider the application of Akbar Abdollahi for a Planned Development Permit (PLN2015-35) to allow the construction of three, two-story, detached single-family townhomes; tentative parcel map to subdivide a parcel into four parcels including one common lot (PLN2015-36), Zoning Map Amendment to allow a PD zoning designation (PLN2015-37), Tree Removal Permit (PLN2015-38), and a Negative Declaration (PLN2015-329) for the property at 1685 Bucknall Road.

Senior Planner, McCormick – presented staff report dated November 17, 2015.

Mayor Cristina declared the public hearing open and asked if there was anyone in the audience wishing to be heard.

There being no one wishing to be heard, Mayor Cristina closed the public hearing.

After discussion, **M/S: Baker/ Resnikoff** – that the City Council adopt **Resolution 11915**, incorporating findings, approving a **Planned Development Permit (PLN2015-035)** to allow the construction of three, two-story, detached townhomes, subject to the attached **Conditions of Approval**; **Resolution 11916**, incorporates findings, approving a **Tentative Parcel Map (PLN2015-036)** to create three residential lots and one common lot, subject to **Conditions of Approval**; **Resolution 11917**, incorporates findings, approving a **Zoning Map Amendment (PLN2015-037)** to change the zoning district designation from **R-2 (Multi-Family Residential)** to **P-D (Planned Development)**; **Resolution 11918**, incorporates findings, approving a **Tree removal Permit (PLN2015-038)** to allow for the removal of twelve protected trees, subject to the **Conditions of Approval**; **Resolution 11919**, incorporates findings, adopting a **Negative Declaration (PLN2015-329)** for the project. Motion was adopted by the following roll call vote:

AYES: Councilmembers: Gibbons, Resnikoff, Kotowski, Baker, Cristina

NOES: Councilmembers: None

16. **Public Hearing to Consider a City-initiated Zoning Text Amendment (PLN2015-294) to Amend the Campbell Zoning Code to Create Regulations for Payday Lenders and Check Cashing Establishments. (Resolution/First Reading of Ordinance/Roll Call Vote)**

This is the time and place for a public hearing to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Ordinance to create regulations for payday lenders and check cashing establishments.

Project Planner Pouya – presented staff report dated November 17, 2015.

Mayor Cristina declared the public hearing open and asked if there was anyone in the audience wishing to be heard.

Melissa Morris, Campbell resident, stated support of stronger policies to limit the effects of payday lenders; wants to make sure that no new payday lenders are allowed in the zones while the current nonconforming uses are being phased out; and would like no conditional use permits be granted as long as there are three or more payday lenders existing in the City.

David Figa, representative from Working Partnership USA, urged the City to adopt the Planning Commission recommendations to limit the placement of

payday lenders and would like a requirement that payday lenders must inform consumers about all options.

Ana Rosa Camacho, representative from United Way Silicon Valley, teaches financial education classes in Santa Clara County and informs individuals about the harms of payday lenders and stated support for limiting the payday lenders in the City of Campbell.

Wendy Ho, representative from United Way Silicon Valley, spoke about other municipalities who have adopted ordinances to regulate payday lenders, stated support for the Planning Commission's recommendation and would like it to include provisions to require payday lenders to post information about alternatives, as well as a hard cap on the number of payday lenders allowed in the City.

Dan Aldrich, Campbell resident, stated support for limiting the number of payday lenders in the City of Campbell.

Robert Cruz, Campbell resident, spoke about the high ratio of check cashing businesses in Campbell, stated support for the recommendations, and would like it to include provisions to require payday lenders to post information about alternatives.

Bruce Weiner, representative for Thomas Leonard, requested that this item be continued to January so that stakeholders can have an opportunity to meet with Councilmembers and staff, as well as allow time to see what federal regulations will be coming forward.

Angelina Soto, San Jose resident, stated that she is a customer of Check to Cash and is supportive of keeping the establishments in Campbell and allow them to stay in their current locations.

Ines Macias, San Jose resident, stated that she is a single mother that works at the Check to Cash and if the ordinance is passed it will force the business to close and she would lose her job.

Sumant Jeswani, stated that he would like this item continued until January to allow time to talk to Council and stated that he is not opposed to restricting new businesses but would like the ordinance to grandfather the existing businesses.

There being no one else wishing to speak, Mayor Cristina closed the public hearing.

After discussion, Mayor Cristina reopened the public hearing up for a member of the public to speak.

Melissa Morris, stated the Federal Consumer Financial Protection Bureau is expected to issue draft regulations in the early part of the year but these

regulations should not conflict with regulation from a city level regarding the placement of payday lenders.

Mayor Cristina closed the public hearing.

After discussion, **M/S: Resnikoff/Kotowski** – that the City Council direct staff to revise the ordinance to remove check cashing only businesses; grandfather the four existing businesses at their current locations; cap the number of payday lenders to three, which would go into effect if two or more of the grandfathered businesses leave; and bring the revised ordinance back for first reading at the January 5, 2016 Council meeting. Motion was adopted by the following roll call vote:

AYES: Councilmembers: Resnikoff, Kotowski, Cristina

NOES: Councilmembers: Gibbons, Baker

17. **Public Hearing to Consider the Application of Madison Park of Campbell LLC for a Modification (PLN2015-170) to a Previously Approved and Modified Planned Development Permit (PLN2013-337 / PLN2015-48), a Modification (PLN2015-171) to a Previously Approved and Modified Tentative Vesting Subdivision Map (PLN2013-339 / PLN2015-49), a Parking Modification Permit (PLN2015-172), and a Tree Removal Permit (PLN2015-173) to Allow an Expansion of an Approved (two-phase) Residential Development Including the Addition of Less than ½ Acre of Property and an Increase from 100 Units to 118 Residential Units (90 townhomes and 28 apartment units), an Eight Stall Reduction to the Required Number of On-site Parking Stalls, and Removal of Protected Tree(s), on Properties Located at 180, 186, 190, 230, 240, 260, 272, 280, 282, and 290 (portion) Dillon Avenue; 466, 472, 482, and 488 Sam Cava Lane; and 186 Gilman Avenue, in the P-D (Planned Development) Zoning District. An Addendum to the Previously Adopted Mitigated Negative Declaration will be Prepared for this Project. (Resolutions/First Reading of Ordinance/ Roll Call Vote)**

This is the time and place for a public hearing to consider the application of Madison Park of Campbell LLC for a modification (PLN2015-170) to a previously approved and modified Planned Development Permit (PLN2013-337 / PLN2015-48), a modification (PLN2015-171) to a previously approved and modified Tentative Vesting Subdivision Map (PLN2013-339 / PLN2015-49), a Parking Modification Permit (PLN2015-172), and a Tree Removal Permit (PLN2015-173) to allow an expansion of an approved (two-phase) residential development including the addition of less than ½ acre of property and an increase from 100 units to 118 residential units (90 townhomes and 28 apartment units), an eight stall reduction to the required number of on-site parking stalls, and removal of protected tree(s), on properties located at 180, 186, 190, 230, 240, 260, 272, 280, 282, and 290 (portion) Dillon Avenue; 466, 472, 482, and 488 Sam Cava Lane; and 186 Gilman Avenue, in the P-D (Planned Development) Zoning District.

Associate Planner Fama – presented staff report dated November 17, 2015.

Mayor Cristina declared the public hearing open and asked if there was anyone in the audience wishing to be heard.

Mark Robson, president of Robson Homes, spoke about the project improvements to the design of the building, road circulation, additional open space, and affordable housing.

Mike Krisman, Campbell resident, asked about impact fees associated with this project, asked about parking exemptions, and asked about the open space in this project.

Al Lowder, Campbell resident, stated he is opposed to the reduction of any parking in the City of Campbell and is opposed to lowering the parking requirements for this development.

Mark Robson, president of Robson Homes, stated that there are eight new parking spaces that were created on the street and the modification they are requesting is only for guest parking, all resident parking is onsite.

There being no one else wishing to speak, Mayor Cristina closed the public hearing.

After discussion, M/S: Resnikoff/Kotowski – that that the City Council adopt Resolution 11920 approving an Addendum (PLN2015-174) to a previously adopted Mitigated Negative Declaration (PLN2015-340); Resolution 11921 approving a Modification (PLN2015-171) to previously approved and modified Vesting Tentative Subdivision Map (PLN2013-339/PLN2015-49); Resolution 11922 approving a Tree Removal Permit (PLN2015-173) to allow removal of on-site protected trees; Introduce Ordinance 2195 approving a Modification (PLN2015-170) to the previously approved and modified Planned Development Permit (PLN2013-337/PLN2015-48) and Parking Modification Permit (PLN2015-172); and including the desk item.

Vice Mayor Baker made a friendly amendment to add the Eco Pass at the developer's cost for the first year and any year after the cost would be 50/50 between the developer and the resident.

After discussion, Vice Mayor Baker withdrew his amendment.

Councilmember Gibbons made a friendly amendment to require a condition that the Eco Pass would be provided in perpetuity for the apartments with the understanding that the Community Development Director could remove that requirement if the cost is an undue burden.

After discussion, Councilmember Gibbons withdrew her amendment.

Vice Mayor Baker made a friendly amendment to change condition seven of the Modified Tentative Vesting Subdivision Map, to provide one three-bedroom and one four-bedroom unit as low income.

Councilmember Resnikoff did not accept the amendment.

Vice Mayor Baker stated that he would be making a substitute motion to supersede the previous motion. **M/S: Baker/Gibbons – that the City Council adopt Resolution 11920 approving an Addendum (PLN2015-174) to a previously adopted Mitigated Negative Declaration (PLN2015-340); Resolution 11921 approving a Modification (PLN2015-171) to previously approved and modified Vesting Tentative Subdivision Map (PLN2013-339/PLN2015-49) with an amendment to provide two low income BMR units to include one three-bedroom and one four-bedroom unit; Resolution 11922 approving a Tree Removal Permit (PLN2015-173) to allow removal of on-site protected trees; Introduce Ordinance 2195 approving a Modification (PLN2015-170) to the previously approved and modified Planned Development Permit (PLN2013-337/PLN2015-48) and Parking Modification Permit (PLN2015-172); and including the desk item. Motion was adopted by the following roll call vote:**

AYES: Councilmembers: Gibbons, Kotowski, Baker

NOES: Councilmembers: Resnikoff, Cristina

NEW BUSINESS

There were no agenda items.

OLD BUSINESS

18. California Street Residential Permit Parking

Councilmember Gibbons recused herself because she lives within 500 feet of the Pilot Residential Parking Permit area.

Public Works Director Capurso – presented staff report dated November 17, 2015.

Community Development Director Kermoyan spoke about the redesign of the parking lot with La Valencia and working with them to create a completion schedule.

Greg Nerland, spoke about the new plan for restriping the La Valencia parking lot, the demolition process, and the schedule for completion.

Russell Pfirman, Campbell resident, would like the redesign of the La Valencia parking lot completed before allowing the pilot parking permit program to end.

LeeAnn Kuntz, Campbell resident, stated concerns about the amount of exceptions for parking permits being granted to the Corinthian House and suggested a neighborhood patrol of the parking permit area to reduce the burden on the Police Department.

Al Lowder, Campbell resident, asked about the length of the evaluation period, where the cars from La Valencia would park during construction, and what would prevent residents from La Valencia to park in the neighborhood if the permit program is discontinued.

After discussion, **M/S: Baker/Kotowski** – that the City Council approve the report and construction schedule with a change to the completion date for the striping to January 12, 2016 and completion date for the carport construction to April 20, 2016 allowing the Community Development Director to use his discretion to change the schedule in the event that there are uncontrollable circumstances; extend the Pilot Residential Parking Permit Program until 60 days after the completion of La Valencia's parking lot reconfiguration; have staff come back to Council before the expiration of the Pilot Residential Parking Permit Program with the effects of parking in La Valencia, California Street, and El Caminito; and issue an additional five passes to Corinthian House. Motion was adopted by a 4-0-1 vote. (Councilmember Gibbons was recused)

COUNCIL COMMITTEE REPORTS

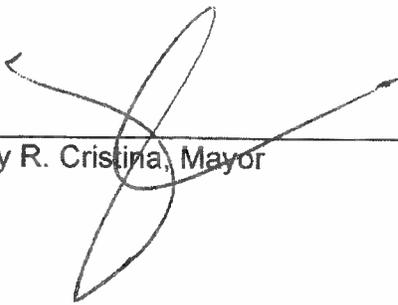
19. City Councilmember Reports/Updates on Committee Assignments

Mayor Cristina stated that due to time, he would continue this item to the December 1, 2015 Council meeting.

ADJOURN

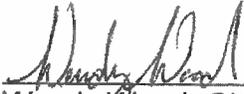
Mayor Cristina adjourned the meeting at 10:55 p.m.

APPROVED:



Jeffrey R. Cristina, Mayor

ATTEST:



Wendy Wood, City Clerk



City Council Report

Item:
Category: **Public Hearing**
Date: **November 17, 2015**

TITLE **Public hearing to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Ordinance to create regulations for payday lenders and check cashing establishments.**

RECOMMENDATION

The Planning Commission recommends that the City Council take the following action:

1. **Adopt the attached Resolution**, finding that the proposed Zoning Text Amendment is exempt from CEQA (**Attachment 1**).
2. **Take a first reading and introduce the attached Ordinance (Attachment 2)**, approving a Zoning Text Amendment (PLN2015-294) amending the following to the Campbell Zoning Code: Chapter 21.10 (Commercial and Industrial Districts); Chapter 21.12 (Special Purpose Districts); Section 21.72.020 (Definitions); and Chapter 21.36 (Provisions Applying to Special Uses) of the Zoning Ordinance to create regulations for payday lenders and check cashing establishments.

ENVIRONMENTAL DETERMINATION

Modifications to the Zoning Code are considered a project under the California Environmental Quality Act (CEQA) however staff's analysis of the Initial Study checklist has led to the conclusion that adopting the proposed ordinance is exempt from CEQA under Section 15061.b.3 because it has no potential for resulting in a physical change to the environment.

BACKGROUND

PROJECT HISTORY

During the January 26, 2015 Council Priority Setting Workshop, a Payday Lending Ordinance was identified as a land use consideration that deserved further clarification within the Municipal Code, especially given a regional effort to properly locate these uses within individual jurisdictions. At this meeting, the Law Foundation of Silicon Valley made a presentation on payday lending; in addition, representatives from community groups spoke against payday loans and requested the City Council consider zoning regulations. The City Council subsequently directed Staff to prepare an ordinance to regulate payday lending establishments.

DISCUSSION

PLANNING COMMISSION HEARING

The Planning Commission held a public hearing to consider the proposed text amendment at its meeting of October 27, 2015 (**Attachment 3 – Planning Commission**

Staff Report). The attached meeting minutes (**Attachment 4**) indicate that the Planning Commission discussed various elements of the amendment, notably, the maximum number of payday lending and check cashing businesses, the low-income area restriction, and the two-year amortization period and provision to apply for an extension of time for existing nonconforming businesses. In addition, the Planning Commission discussed alternatives such as a complete ban of these businesses as well as additional provisions including a requirement to provide brochures with alternatives to payday loans and a limit on the maximum amount of window sign coverage.

After considerable discussion, the Planning Commission voted 7-0 to adopt a resolution (**Attachment 4**) recommending that the City Council approve the text amendment. The Planning Commission's action includes modification of the draft text amendment presented by staff.

The proposed text amendment originally contemplated allowing one business in each of five commercial quadrants for a maximum of five payday lenders and/or check cashing establishments. The various quadrants were created in order to evenly distribute these service-type uses throughout the city. The Planning Commission however felt the proposed standards would result in an unreasonably high concentration of such uses per capita of the City's population. Based on this observation, the Planning Commission requested the proposed text amendment be modified to allow a maximum of three such businesses, bringing Campbell's relatively high ratio of payday lenders and/or check cashing establishments closer to the ratios found in other Bay Area cities. Therefore, with this amendment, three of the five commercial quadrants may each contain one payday lender and/or check cashing establishment.

The Planning Commission also modified the text amendment by adding a provision limiting the storefront window sign coverage to 10% maximum of the total window area, which would serve to improve visibility into the businesses for safety and security purposes.

PUBLIC CORRESPONDENCE

Prior to the Planning Commission meeting, staff received several emails that were provided as desk items (**Attachments 5-7**).

Following the Planning Commission meeting, the City Council and City Manager's Office received an email from the business owner of Check 2 Cash, an existing payday lending and check cashing establishment located at 152 N. San Tomas Aquino Road in Campbell (**Attachment 8**). The business owner has concerns with the impact of the ordinance on his business if adopted as recommended by the Planning Commission. The business owner suggests the City Council consider grandparenting existing businesses, similar to the approach taken by other cities. The correspondence included ordinances from Fresno, Santa Clara, Sunnyvale, and San Jose for reference. Staff recognizes that the proposed ordinance would require closure of this business within two years unless an extension is approved. However, the approach of the recommended provisions is to locate such uses strategically throughout the City for easy public access without disproportionately concentrating them in specific areas.

Grandparenting the existing businesses in their current locations would undermine the premise to which the standards were proposed.

FISCAL IMPACTS

There are no fiscal impacts associated with preparing the recommended Zoning Text Amendment. In terms of loss of tax revenue, these types of businesses do not produce much tax since they are more of a service oriented operation.

ALTERNATIVES

1. Revise specific sections of the proposed text amendment.
2. Continue for further review.
3. Do not approve the proposed text amendment.

Prepared by: _____
Naz Pouya, Project Planner

Reviewed by: _____
Bradley J. Misner, AICP, Planning Manager

Reviewed by: _____
Paul Kermoyan, Community Development Director

Approved by: _____
Mark Linder, City Manager

Attachments:

1. Draft City Council Resolution
2. Draft City Council Ordinance adopting a Text Amendment
3. Planning Commission Staff Report, dated October 27, 2015
4. Draft Planning Commission Meeting Minutes, dated October 27, 2015
5. Planning Commission Meeting Desk Item – Email from United Way
6. Planning Commission Meeting Desk Item – Email from Advance America
7. Planning Commission Meeting Desk Item – Email from Paul Soter
8. Email from Sumant Jeswani, owner of Check 2 Cash

Naz Pouya

From: Paul Kermoyan
Sent: Friday, November 06, 2015 5:50 PM
To: Brad Misner; Naz Pouya
Subject: Fwd: FW:
Attachments: Fresno Ordinance.2014.pdf; ATT1076003.htm; SantaClaraOrdinance.pdf; ATT1076005.htm; Sunnyvale Ordinance.pdf; ATT1076007.htm; San Jose Ordinance.pdf; ATT1076009.htm

FYI

Sent from my iPhone

Begin forwarded message:

From: "Al Bito" <AIB@cityofcampbell.com>
To: "Paul Kermoyan" <paulk@cityofcampbell.com>
Cc: "markl@cityofcampbell.com" <markl@cityofcampbell.com>, "Sherrie Doherty" <SHERRIED@cityofcampbell.com>
Subject: Fwd: FW:

Paul. FYI.

Al

Begin forwarded message:

From: "Sherrie Doherty" <SherrieD@cityofcampbell.com>
To: "Mark Linder" <markl@cityofcampbell.com>
Cc: "Al Bito" <AIB@cityofcampbell.com>
Subject: FW:

FYI

Sherrie Doherty | Executive Assistant to the City Manager
City of Campbell | City Manager's Office
sherried@CityofCampbell.com
408.866.2125 | Fax 408.374.6889
70 N. First Street | Campbell, CA 95008
www.CityofCampbell.com

From: Sumant Jeswani [<mailto:sumantjeswani@gmail.com>]
Sent: Thursday, November 05, 2015 10:49 AM
To: Jeffrey Cristina; Jason Baker; Michael Kotowski; Liz Gibbons; Paul Resnikoff; Campbell City Managers Office
Subject:

Dear Mayor, Vice Mayor, Council Members & City Manager:

Please allow me to introduce myself.

I am business owner in the City of Campbell since 2007. Enclosed below is my business information

Check 2 Cash
152 N. San Tomas Aquino Rd
Campbell, Ca 95008

I am writing to you regarding a City initiated Zoning Text Amendment to amend Campbell Zoning Ordinance regarding payday lenders and check cashing establishments. This Zoning ordinance if passed in its current version will force us to close doors and go out of business.

The staff report presented to the Planning Commission on October 27th, 2015 says that all non conforming businesses are required to move within 2 years to a location zoned for this use. If unable to move or get an extension I would have to close doors on my business.

I hope you will consider the following

- 1) I have been at the location since 2007 and have employed campbell residents in the past and currently employ 2 single mothers since 2007 and 2012.
- 2) We offer other valuable services to the residents of Campbell such as Western Union Wire Transfers, Money Orders, Bill Pay, Prepaid Cell Phones and Notary Services.
- 3) I have invested significant amounts of money, time and resources into my business. In order to build out a secure location such as ours costs upwards of \$100,000. It would be impossible for me to come up with that kind of money and resources to start all over again.
- 4) I have a 5 year lease which expires in October 2018. There is no provision to break the lease in a situation such as this. This would cause me a loss of \$30,000 (8 months rent plus CAMS until lease expiration)

I am including ordinances from cities of Santa Clara, Fresno, Sunnyvale and San Jose which ALL grandfathered existing businesses from the new zoning requirements.

Although the City of Campbell may have been studying this issue for a year or so, I have received weeks' notice to address it with the Planning Commission. I am asking for a 60 day extension to allow me an opportunity to meet each Council Member and the City Manager in an effort to try and find some common ground that will not destroy my

business, cost my employees their jobs and cause a catastrophic loss of capital I would have not ability to overcome at this point in my life.

I thank you for the consideration and am available to discuss all aspects with you in person or by telephone at your earliest opportunity.

Respectfully Submitted
Sumant Jeswani
650-504-1127



BILL NO. B-30

ORDINANCE NO. 2014-34

AN ORDINANCE OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, AMENDING CHAPTER 12 OF THE FRESNO MUNICIPAL CODE, SECTIONS 12-220.3, 12-222.3, 12-231.3, 12-105.P, AND 12-306.N.17, TO ESTABLISH ZONING AND USE REGULATIONS FOR PAYDAY LENDING ESTABLISHMENTS WITHIN THE CITY OF FRESNO

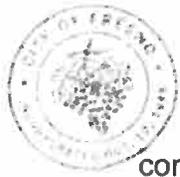
WHEREAS, on November 19, 2002, by Resolution No. 2002-379, the City Council adopted the 2025 Fresno General Plan and on that date, by Resolution No. 2002-378, certified Master Environmental Impact Report ("MEIR") No. 10130 (State Clearinghouse No. 2001071097) which evaluated the potentially significant adverse environmental impacts of the General Plan's goals, objectives, and policies; and,

WHEREAS, Text Amendment Application No. TA-14-001 was initiated by the Fresno City Council pursuant to Fresno Municipal Code Section 12-401-A; and

WHEREAS, the Fresno City Council adopted Resolution No. 2013-199 on November 21, 2013 initiating said text amendment; and

WHEREAS, the Fresno County Airport Land Use Commission, at its hearing of April 7 2014, found the text amendment to be consistent with airport land use plans and recommended approval of the text amendment; and

WHEREAS, pursuant to the provisions of Section 402, Article 4, Chapter 12, of the Fresno Municipal Code, the Planning Commission of the City of Fresno held a hearing on the 21st day of May, 2014, to consider Text Amendment Application No. TA-14-001 and related Environmental Assessment No. TA-14-001, during which the Commission solicited testimony,



considered the environmental assessment, and recommended to the Council of the City of Fresno approval of the text amendment application as evidenced in Planning Commission Resolution No. 13284; and,

WHEREAS, the Council of the City of Fresno, on the 26th day of June 2014, held a public hearing and received the recommendation of the Planning Commission, considered the information in the staff report, and solicited testimony from the public on this matter.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF FRESNO DOES ORDAIN AS FOLLOWS:

1. The Council finds in accordance with its own independent judgment that there is no possibility that Text Amendment Application No. TA-14-001 would have significant effects on the environment pursuant to Section 15061(b) (3) of the California Environmental Quality Act Guidelines, Accordingly, the Council adopts Environmental Assessment No. TA-14-001, dated May 1, 2014.
2. The Council finds that the adoption of the proposed text amendment, as recommended by the Planning Commission, is in the best interest of the City of Fresno.
3. The Council of the City of Fresno hereby approves Text Amendment Application to amend the Fresno Municipal Code as set forth below:

SECTION 1. Chapter 12-220.3.B of the Fresno Municipal Code is amended to add a new part, to be numbered and to read as follows:

[15.1. Payday Lending Establishments, subject to FMC 12-306.N.17.]

SECTION 2. Chapter 12-222.3.B of the Fresno Municipal Code is amended to add a new part, to be numbered and to read as follows:



[29.1. Payday Lending Establishments, subject to FMC 12-306.N.17.]

SECTION 3. Chapter 12-231.3.B of the Fresno Municipal Code is amended to add a new part, to be numbered and to read as follows:

[14.1. Payday Lending Establishments, subject to FMC 12-306.N.17.]

SECTION 4. Chapter 12-105.P of the Fresno Municipal Code is amended to add a new part, to be numbered and to read as follows:

[7.1. PAYDAY LENDING ESTABLISHMENT shall mean a business owned or operated by a "licensee" as defined by California Financial Code Section 23001(d), as may be amended, that offers, originates, or makes deferred deposit transactions in which the lender defers depositing a customer's personal check or electronically accessing a bank account until a specific date for a fee or other charge.]

SECTION 5. Chapter 12-306.N.17 of the Fresno Municipal Code is amended to read as follows:

17. [PAYDAY LENDING ESTABLISHMENTS. The location and operation of Payday Lending Establishments shall be subject to and shall comply with all of the restrictions and conditions set forth in this Section, in addition to those restrictions and conditions that may be imposed on a Payday Lending Establishment under or pursuant to other provisions of the Fresno Municipal Code or any other applicable federal, state, or local laws, regulations, or policies.

[a. Discontinuance and Termination.

Any Payday Lending Establishment whether existing or subsequently granted under this Section that voluntarily discontinues active operation for more than ninety consecutive days, does not maintain a valid city business license for more than ninety consecutive days, or ceases to be licensed by the State of California under the California Deferred Deposit Transaction Law, as may be amended, shall result in a termination of the conditional use permit or use. The Licensee shall be notified by the Director of the termination of the conditional use permit, or any other right of use related to the Payday Lending Establishment, and shall be informed of the Licensee's right to appeal the Director's decision. The process used in Section 12-405-E ("Revocation of Rights") of this Code, as may be amended, shall apply. For existing Payday Lending Establishments that originally did not need a special permit to lawfully operate, the same revocation process shall apply except that it shall be for a revocation of rights for use as a Payday Lending Establishment instead of a revocation of rights granted under a special permit.]



b. Zone Districts

1) Payday Lending Establishments approved on or after the effective date of this ordinance shall be limited to the C-4, C-6 and CC zone districts, subject to a Conditional Use Permit and subject to the provisions of FMC 12-405.

2) Notwithstanding the provisions of FMC 12-405-D-2, whenever the rights granted by a Conditional Use Permit for a Payday Lending Establishment are discontinued for a continuous period of ninety (90) days, the Conditional Use Permit shall be considered terminated.

c. Conditions

Any Conditional Use Permit for a Payday Lending Establishment shall incorporate the following additional conditions:

(1) Payday Lending Establishments shall be separated by at least 1,320 feet (0.25 mile) as measured directly from property line to property line from any parcel on which an existing Payday Lending Establishment is located or on which a conditional use permit for a Payday Lending Establishment has been approved which has not been terminated or revoked pursuant to 12-405-D or 12-405-E.

(2) Payday Lending Establishments shall hold, maintain and be in compliance with a valid license issued by the State of California under the California Deferred Deposit Transaction Law, as may be amended.

(3) Payday Lending Establishments shall hold, maintain and be in compliance with a Business License issued pursuant to Section 7-1001 through 7-1301, as may be amended.]

SECTION 6. The Department of Development and Resource Management is directed to incorporate the provisions of this ordinance into any proposed comprehensive update of the zoning ordinance.



SECTION 7. This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty-first day after its final passage.

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing ordinance was adopted by the Council of the City of Fresno, at a regular meeting held on the 24th day of July, 2014.

AYES : Baines, Brand, Olivier, Quintero, Xiong, Brandau
NOES : None
ABSENT : Caprioglio
ABSTAIN : None

Mayor Approval: _____ N/A _____, 2014
Mayor Approval/No Return: _____ August 04 _____, 2014
Mayor Veto: _____ N/A _____, 2014
Council Override Vote: _____ N/A _____, 2014

YVONNE SPENCE, CMC
City Clerk

BY: *Yvonne Spence*
Deputy

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

BY: *Talia Kolluri-Barbisk*
Talia Kolluri-Barbisk, Deputy
Dated:



July 24, 2014

RECEIVED

Council Adoption: 7/24/2014

Mayor Approval:

Mayor Veto:

Override Request:

TO: MAYOR ASHLEY SWEARENGIN

FROM: YVONNE SPENCE, CMC
City Clerk

2014 AUG 5 AM 9 24

CITY CLERK, FRESNO CA

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 7/24/14, Council adopted the attached Bill No. B-30 and Ordinance No. 2014-34, entitled **Amending the FMC to establish zoning and use regulations for payday lending**. File No. 14-179, by the following vote:

Ayes	:	Baines, Brand, Olivier, Quintero, Xiong, Brandau
Noes	:	None
Absent	:	Caprioglio
Abstain	:	None

Please indicate either your formal approval or veto by completing the following sections and executing and dating your action. Please file the completed memo with the Clerk's office on or before August 4, 2014. In computing the ten day period required by Charter, the first day has been excluded and the tenth day has been included unless the 10th day is a Saturday, Sunday, or holiday, in which case it has also been excluded. Failure to file this memo with the Clerk's office within the required time limit shall constitute approval of the ordinance, resolution or action, and it shall take effect without the Mayor's signed approval.

Thank you.

APPROVED/NO RETURN: _____

VETOED for the following reasons: (Written objections are required by Charter; attach additional sheets if necessary.)

Ashley Swearengin, Mayor

Date: _____

COUNCIL OVERRIDE ACTION:

Date: _____

Ayes	:
Noes	:
Absent	:
Abstain	:

ORDINANCE NO. NS-1200.333

AN ORDINANCE OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CLARA AMENDING APPENDIX I, ZONING, OF
THE COUNTY OF SANTA CLARA ORDINANCE CODE TO AMEND THE
DEFINITION OF "BANKS" TO PROHIBIT THE ESTABLISHMENT,
EXPANSION, OR RELOCATION OF PAYDAY LENDING AND CHECK
CASHING BUSINESSES WITHIN THE UNINCORPORATED AREA OF SANTA
CLARA COUNTY

SUMMARY

This ordinance amends the County Zoning Ordinance to clarify the definition of banks.

THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CLARA
ORDAINS AS FOLLOWS:

SECTION 1. Zoning Ordinance Amendment. The definition of "Banks" in Section 2.10.040 of Chapter 2.10, Article 2 of Appendix I, Zoning, of the County of Santa Clara Ordinance Code, is amended to read as follows:

Banks. (Commercial) Financial institutions including federally-chartered banks, savings associations, industrial loan companies, and credit unions providing retail banking services to individuals and businesses. This classification does not include payday lending businesses or check cashing businesses, and as a result, the establishment, expansion, or relocation of such businesses is prohibited. The term "payday lending business" as used herein means retail businesses owned or operated by a "licensee" as that term is defined in California Financial Code section 23001(d), as amended from time to time. The term "check cashing business" as used herein means a retail business owned or operated by a "check casher" as that term is defined in California Civil Code section 1789.31, as amended from time to time.

SECTION 2. Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Ordinance are severable. The Board of Supervisors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions,

paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, this 1st day of May, 2012, by the following vote:

AYES: ~~CORTESE, KNISS, SHIRAKAWA, WASSERMAN, YEAGER~~

NOES: ~~NONE~~

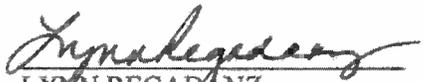
ABSENT: ~~KNISS YEAGER~~

ABSTAIN: ~~NONE~~



GEORGE SHIRAKAWA, President
Board of Supervisors

ATTEST:



LYNN REGADANZ
Interim Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:



GRETA S. HANSEN
Lead Deputy County Counsel

570892



CITY OF SAN JOSÉ, CALIFORNIA

Office of the City Clerk
200 East Santa Clara Street
San José, California 95113
Telephone (408) 535-1260
FAX (408) 292-6207

City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA)
CITY OF SAN JOSÉ)

I, Dennis D. Hawkins, City Clerk & Ex-Officio Clerk of the Council of and for the City of San José, in said County of Santa Clara, and State of California, do hereby certify that **Ordinance No. 29089**, the original copy of which is attached hereto, was passed for publication of title on the **15th day of May, 2012**, was published in accordance with the provisions of the Charter of the City of San José, and was given final reading and adopted on the **5th day of June, 2012** by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA, NGUYEN,
OLIVERIO, PYLE, ROCHA; REED.

NOES: LICCARDO.

ABSENT: NONE.

ABSTAINED: NONE.

VACANT: NONE.

Said ordinance is effective as of **July 6, 2012**.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of San José, this **6th of June 2012**.

(SEAL)

DENNIS D. HAWKINS
CITY CLERK & EX-OFFICIO
CLERK OF THE CITY COUNCIL

ORDINANCE NO. 29089

AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING TITLE 20 OF THE SAN JOSE MUNICIPAL CODE TO AMEND SECTION 20.40.100 OF CHAPTER 20.40 (COMMERCIAL ZONING DISTRICTS), TO AMEND SECTION 20.70.100 OF CHAPTER 20.70 (DOWNTOWN ZONING DISTRICTS), TO ADD A NEW PART 12.5 TO CHAPTER 20.80 (SPECIFIC USE REGULATIONS), TO ADD A NEW SECTION 20.200.875 TO CHAPTER 20.200 (DEFINITIONS), AND RESCINDING THE SUSPENSION OF THE EFFECTIVENESS OF SECTIONS 20.100.1500, 20.100.1510, 20.100.1520, 20.100.1525 AND 20.100.220 UNDER ORDINANCE NO. 28991, ALL IN ORDER TO ESTABLISH LAND USE REGULATIONS PERTAINING TO PAYDAY LENDING ESTABLISHMENTS

WHEREAS, the environmental impacts of this ordinance were reviewed and disclosed in that certain Final Program Environmental Impact Report prepared for the Envision San Jose 2040 General Plan, certified on September 28, 2011 ("Final Program EIR") and for which the City Council of the City of San José adopted its Resolution No. 76041, and the City Council has considered said Final Program EIR and Resolution prior to taking any approval actions on this Ordinance; and

WHEREAS, on November 8, 2011, the City Council adopted Ordinance No. 28991 suspending Ordinance No. 28958 pertaining to medical marijuana collectives; and

WHEREAS, Ordinance No. 28958 contained provisions to establish a process for issuance of Zoning Code Verification Certificates that would be applicable more generally and not specific only to medical marijuana collectives, that would be useful to the regulation of payday lending establishments; and

WHEREAS, the City Council now desires and believes it is in the public interest to consider and approve this Ordinance to amend the City's land use regulations

applicable to payday lending establishments, and the City Council is the decision-making body for this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Section 20.40.100 of Chapter 20.40 of Title 20 of the San José Municipal Code is amended to read as follows:

20.40.100 Allowed Uses and Permit Requirements

- A. "Permitted" land uses are indicated by a "P" on Table 20-90.
- B. "Conditional" uses are indicated by a "C" on Table 20-90. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a Conditional Use Permit as set forth in Chapter 20.100.
- C. "Special" uses are indicated by a "S" on Table 20-90. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a Special Use Permit as set forth in Chapter 20.100.
- D. "Administrative" uses are indicated by an "A" on Table 20-90. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with an Administrative Permit as set forth in Chapter 20.100.
- E. "Restricted" land uses are indicated by an "R" on Table 20-90. These uses may occur in such designated districts, as an independent use, but only upon issuance of and in full compliance with a valid and effective Zoning Code Verification Certificate as set forth in Chapter 20.100.
- F. Land uses not Permitted are indicated by a "-" on Table 20-90. Land uses not listed on Table 20-90 are not Permitted.
- G. When the right column of Table 20-90 includes a reference to a Section number or a footnote, the regulations cited in the Section number or footnote apply to the use. In addition, all uses are subject to any other applicable provision of this Title 20 and any other Title of the San Jose Municipal Code.

Table 20-90 Commercial Districts Land Use Regulations					
Use	Zoning District				Notes & Sections
	CO	CP	CN	CG	
General Retail					
Retail sales, goods and merchandise	-	P	P	P	
Alcohol, off-site sales – beer and/or wine only	-	C	C	C	Section 20.80.900
Alcohol, off-site sales, full range of alcoholic beverages	-	C	C	C	Section 20.80.900
Bakery, retail	-	P	P	P	
Food, beverage, groceries	-	P	P	P	
Nursery, plant	-	P	P	P	Note 1
Outdoor vending	-	A	A	A	Part 10, Chapter 20.80
Pawn shop/broker	-	C	C	C	See Title 6
Seasonal sales					Part 14, Chapter 20.80
Retail Art Studio	-	P	P	P	Section 20.40.140
Education and Training					
Child daycare center located on an existing school site or as an incident to an on-site Church/Religious Assembly use involving no building additions or changes to the site	P	P	P	P	
Day care center	C	C	C	C	
Instructional art studios	-	P	P	P	
Instructional art studios, with live models	-	C	C	C	
Private Instruction, personal enrichment	-	P	P	P	
School- elementary and secondary (Public or Private)	C	C	C	C	Note 16
School, driving (class C & M license)	-	P	P	P	Note 2
School, post secondary	-	P	P	P	Note 3
School, trade and vocational	-	C	C	C	
Entertainment and Recreation Related					
Arcade, amusement	-	C	C	C	
Dancehall	-	C	C	C	
Poolroom/Billiards Establishment	-	C	C	C	
Private club or lodge	C	C	C	C	
Recreation, Commercial (indoor)	-	P	P	P	
Recreation, Commercial (outdoor)	-	C	C	C	
Relocated Cardroom	-	-	-	C	Section 20.80.1155
Theatre, indoor	-	C	C	C	
Theatre, outdoor	-	-	-	C	
Food Services					
Banquet facility	-	C	C	C	
Caterer	-	P	P	P	Note 4
Drinking establishments	-	C	C	C	
Drinking establishment interior to a full-service hotel/motel that includes 75 or more guest rooms	-	P	P	P	Section 20.80.475
Public eating establishments	-	P	P	P	
Outdoor dining, incidental to a public eating establishment or a retail establishment	-	P	P	P	Section 20.40.520
Wineries, Breweries	-	C	C	C	
Health and Veterinary Services					

Table 20-90 Commercial Districts Land Use Regulations					
Use	Zoning District				Notes & Sections
	CO	CP	CN	CG	
Animal boarding, indoor	-	P	P	P	Section 20.40.120
Animal grooming	-	P	P	P	Section 20.40.120
Emergency ambulance service	C	C	C	C	
Hospital/ in-patient facility	C	C	C	C	
Medical Marijuana Collective	-	-	-	R	Part 9.5, Chapter 20.80
Office, medical	P	P	P	P	
Veterinary clinic	-	P	P	P	
General Services					
Bail Bond Establishment – Outside Main Jail Area		P	P	P	Part 1.5, Chapter 20.80
Bail Bond Establishment – Within Mail Jail Area		P	P	P	Note 14; Park 1.5, Chapter 20.80
Bed and Breakfast	-	P	P	P	Part 2, Chapter 20.80
Dry cleaner	-	P	P	P	
Hotel/motel	-	P	P	P	
Laundromat	-	P	P	P	
Maintenance and repair, small household appliances	-	P	P	P	
Messenger services	P	P	P	P	Note 2
Mortuary and funeral services	P	P	P	P	
Personal services	-	P	P	P	Section 20.200.880
Photo processing and developing	-	P	P	P	
Printing and publishing	-	P	P	P	
Offices and Financial Services					
Automatic Teller Machine	P	P	P	P	Section 20.80.200
Business Support	-	P	P	P	
Financial Institution	P	P	P	P	
Office, general business	P	P	P	P	Section 20.40.110
Payday Lending Establishment	-	R	R	R	Part 12.5, Chapter 20.80; Section 20.200.875
Public, Quasi-Public and Assembly Uses					
Cemetery	C	C	C	C	
Church/Religious Assembly	C	C	C	C	
Museums, libraries, parks, playgrounds, or community centers (Publicly operated)	P	P	P	P	
Museums, libraries, parks, playgrounds, or community centers (Privately operated)	C	C	C	C	
Residential					
Emergency residential shelter	C	C	C	C	Section 20.80.500
Live/Work	-	S	S	S	Section 20.40.130
Mixed Use residential/commercial	-	C	C	C	Note 6
Residential Care Facility for seven or more persons	C	C	C	C	
Residential Service Facility for seven or more persons	C	C	C	C	
Single Room Occupancy Hotel	-	C	C	C	Part 15, Chapter 20.80

Table 20-90 Commercial Districts Land Use Regulations					
Use	Zoning District				Notes & Sections
	CO	CP	CN	CG	
Single Room Occupancy Living Unit	-	C	C	C	Part 15, Chapter 20.80
Drive-Through Uses					
Drive-through in conjunction with any use	-	-	C	C	
Recycling Uses					
Reverse vending	A	A	A	A	
Small collection facility	A	A	A	A	
Transportation and Utilities					
Data Center	-	-	-	C	
Community television antenna systems	C	C	C	C	
Off-site, alternating use and alternative parking arrangements	S	S	S	S	Section 20.90.200
Parking establishment, off-street	C	C	C	C	
Utility facilities, excluding corporation yards, storage or repair yards and warehouses	C	C	C	C	
Television, radio studios without antenna/dishes	-	-	-	C	
Short term parking lot for uses or events other than on-site	-	-	-	C	Note 7
Wireless communication antenna	C	C	C	C	Section 20.100.1300
Wireless communication antenna, slimline monopole	S	S	S	S	Section 20.80.1900
Wireless communication antenna, building mounted	P	P	P	P	Section 20.80.1910
Electrical Power Generation					
Private Electrical Power Generation Facility	C	C	C	C	Note 2
Co-Generation Facility	S	S	S	S	
Stand-by/Backup					
Facilities that do not exceed noise or air standards	A	A	A	P	
Facilities that do exceed noise or air standards	C	C	C	C	
Temporary Stand-by/Backup	P	P	P	P	
Solar Photovoltaic System	P	P	P	P	Section 20.100.610(C)(7)
Vehicle Related Uses					
Accessory installation, passenger vehicles and pick-up trucks	-	-	C	P	
Auto broker, wholesale, no on-site storage	P	P	P	P	
Car wash, detailing	-	-	C	C	
Gas or charge station	-	C	C	P	Note 8, Note 15
Gas or charge station with incidental service and repair	-	C	C	P	Note 9, Note 13
Glass sales, installation and tinting	-	-	C	P	Note 13
Sale or lease, commercial vehicles	-	-	C	C	Note 13
Sale passenger vehicles, pick-up trucks not exceeding twenty-five (25) feet in length, and motorcycles	-	C	S	P	Note 12, Note 13
Leasing (rental) passenger vehicles, pick-up trucks not exceeding twenty-five (25) feet in length, and motorcycles	-	C	C	P	Note 2
Sale, vehicle parts	-	C	P	P	Note 11

Table 20-90 Commercial Districts Land Use Regulations					
Use	Zoning District				Notes & Sections
	CO	CP	CN	CG	
Tires, batteries, lube, oil change, smog check station, air conditioning servicing of passenger vehicles and pick-up trucks	-	-	C	P	Note 10, Note 13
Historic Reuse					
Historic Landmark Structure Reuse	S	S	S	S	Part 8.5 Chapter 20.80

Notes Applicable to all Commercial Districts:

- (1) In the CP District, landscaping materials, such as rock, mulch, and sand are limited to prepackaged sales.
- (2) No on site storage of vehicles permitted in the CP and CN Zoning Districts.
- (3) Includes public and private colleges and universities, as well as extension programs and business schools.
- (4) Not a catering facility.
- (5) No on site storage of vehicles permitted.
- (6) Mixed Use residential/commercial only under approved Village Plan or in Signature Project consistent with the General Plan.
- (7) Use must be less than twenty-four (24) hours.
- (8) No incidental repair or service permitted.
- (9) Incidental repair includes air conditioning service, carburetor & fuel injection service, electrical service, radiator service, and tune-up, lube, oil change, and smog check, as well as tires, batteries and accessories installation. Does not allow body repair or painting.
- (10) Non engine and exhaust related service and repair allowed as incidental.
- (11) No outdoor sales areas or dismantling allowed.
- (12) In the CG District, incidental repair of vehicles requires a Special Use Permit. Incidental repair of vehicles is prohibited in all other commercial districts.
- (13) All vehicle-related repair, service, and accessory or other installation shall be conducted within a fully enclosed building.
- (14) Bail Bond Establishments shall not be located and are prohibited uses on the ground floors of structures located within the Main Jail Area, as that area is defined in Section 20.80.070 of Chapter 20.80 of this Title. Bail Bond Establishments are allowed as shown on Table 20-90 on other, above-ground floors of structures. All Bail Bond Establishments shall meet all distance requirements specified in Section 20.80.075 of Chapter 20.80 of this Title
- (15) Pedestal charging stations that are incidental to a separate primary use, that do not impact on-site or off-site vehicular circulation, and that serve patrons of the primary use on-site are permitted in all commercial zoning districts.
- (16) Public schools are subject to the regulations of this Title, subject to the provisions of California Government Code section 53094 for classroom facilities.

SECTION 2. Section 20.70.100 of Chapter 20.70 of Title 20 of the San José Municipal Code is amended to read as follows:

20.70.100 Allowed Uses and Permit Requirements

- A. "Permitted" land uses are indicated by a "P" on Table 20-140.
- B. "Conditional" uses requiring Planning Commission approval as the initial decision-making body are indicated by a "C" on Table 20-140. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a conditional use permit approved by the Planning Commission, or City Council on appeal, as set forth in Chapter 20.100.
- C. "Conditional" uses requiring City Council approval as the initial decision-making body are indicated by a "CC" on Table 20-140. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a conditional use permit approved by the City Council as set forth in Chapter 20.100. Applications for these uses shall first be considered by the Planning Commission at a public hearing of the Commission for the Commission's report and recommendation on the application to the City Council pursuant to the processes set forth in Chapter 20.100.
- D. "Special" uses are indicated by a "S" on Table 20-140. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a special use permit as set forth in Chapter 20.100.
- E. "Administrative" uses are indicated by an "A" on Table 20-140. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with an administrative permit as set forth in Chapter 20.100.
- F. "Restricted" land uses are indicated by an "R" on Table 20-90. These uses may occur in such designated districts, as an independent use, but only upon issuance of and in full compliance with a valid and effective Zoning Code Verification Certificate as set forth in Chapter 20.100.
- G. Land uses not permitted are indicated by a "-" on Table 20-140. Land uses not listed on Table 20-140 are not permitted.
- H. The column of Table 20-140, under the heading Additional Use Regulations for the DG Area, identifies further regulations on the uses of ground-floor building space within a portion of the DC Zoning District. The portion of the DC District included in the DG Area is described in Section 20.70.520. These regulations apply to ground-floor building space, defined as Downtown Ground-Floor Space ("DG Area"), in Section 20.70.520 of this Chapter. If there are no additional regulations on properties located in the DG Area noted in this column, the use regulations for the DG Area remain those regulations of the DC Zoning District.

- I. The "Parking" column of Table 20-140 establishes the required parking. The amount of parking may not be increased or decreased unless modified by the Director as set forth in Sections 20.70.320 and 20.70.330 of this Chapter.
- J. When the right column of Table 20-140 includes a reference to a section number or a footnote, the regulations cited in the section number or footnote apply to the use. In addition, all uses are subject to any other applicable provision of this Title 20 and any other title of the San José Municipal Code.

Table 20-140 Downtown Districts Land Use Regulations					
Use	Zoning Districts		Applicable Notes & Sections		
	DC	DC-NT1	Additional Use Regulations for the DG Area	Parking	Applicable to All Downtown Districts
Offices and Financial Services					
Automatic Teller Machine	P	P		No parking	Section 20.80.200
Business Support	P	P	S, Notes k and n	No parking	
Financial institution	P	P	S, Note n	2.5 per 1,000 sq. ft.*	
Financial Services	P	P	S, Notes m and n	No parking	
Offices, business and administrative	P	P	S, Notes i and n	2.5 per 1,000 sq. ft.*	Section 20.70.110
Payday Lending Establishment	R	R			Part 12.5, Chapter 20.80; Section 20.200.875
Research and development	P	P	-	2.5 per 1,000 sq. ft.*	Note 1
General Retail					
Alcohol, off-site sales – beer and/or wine only	C	C		No parking	Section 20.80.900
Alcohol, off-site sales – full range of alcoholic beverages	C	C		No parking	Section 20.80.900
Auction	S	-	-	No parking	
Food, beverage, groceries	P	P		No parking	
Open air sales establishments and areas	S	S		No parking	
Outdoor vending	S	S		No parking	Part 10, Chapter 20.80
Pawn Shop, Pawn Broker	C	C	Note b	No parking	
Retail sales, goods and merchandise	P	P	Note a	No parking	
Seasonal sales	P	P		No parking	Part 14, Chapter 20.80

Table 20-140 Downtown Districts Land Use Regulations					
Use	Zoning Districts		Applicable Notes & Sections		
	DC	DC-NT1	Additional Use Regulations for the DG Area	Parking	Applicable to All Downtown Districts
Education and Training					
Day care center	P	P	S, Notes c and n	No parking	
Post-secondary School	P	P	-	1 per 360 sq. ft.	
Trade School	P	P	-	1 per 360 sq. ft.	
Personal enrichment, Instructional Art	P	P	-, Note d	1 per 360 sq. ft.	
School, elementary (grades K-8)	C	C	-	1 per teacher and employee	
High School (grades 9-12)	C	C	-	.75 per teacher and employee and 1 per each 10 students	
Entertainment and Recreation Related					
Amusement arcade	C	-	Note e	No parking	
Movie Theater	P	P		No parking	
Recreation Commercial/Indoor	P	P		No parking	
Poolroom	S	-		No parking	
Private club or lodge	P	P	-	1 per 360 sq. ft.	
Food Services					
Banquet facility	P	P	Note f	No parking required	
Caterer	P	P	C, Note f	No parking	
Drinking establishments	C	C		No parking	
Drinking establishments with an approved maximum occupancy load of over 250 persons, and that operate between 12:00 midnight and 6:00 a.m.	CC	-		No Parking	Note 7
Drinking establishments interior to a full-service hotel/motel with 75 or more guest rooms	P	P		No parking	Section 20.80.475
Public eating establishments	P	P		No parking	
Wineries, Breweries	C	C		No parking	
Health and Veterinary Services					
Animal grooming	P	P	-	No parking	
Animal Boarding, indoor	P	P	-	No parking	
Emergency ambulance service	C	-	-	No parking	
Hospital/ in-patient medical facility	C	-	-	1.5 per doctor	
Medical or Dental Clinic/Out-patient facility	P	P	-	1.5 per doctor	
Veterinarian	P	P	-	1.5 per doctor	

Table 20-140 Downtown Districts Land Use Regulations					
Use	Zoning Districts		Applicable Notes & Sections		
	DC	DC-NT1	Additional Use Regulations for the DG Area	Parking	Applicable to All Downtown Districts
General Services					
Bed and breakfast	P	P	S, Note l	.35 per room	Part 2, Chapter 20.80
Hotel/motel	P	P	-, Note l	.35 per room	
Maintenance and repair of household appliances	P	P	-	No parking	
Mortuary and funeral services	C	C	-	.75 per employee and vehicle	
Personal Services	P	P	Note g	No parking	
Printing and Publishing	P	P	Note h	No parking	
Public, Quasi-Public and Assembly Uses					
Auditorium	C	-	-	No parking	
Cemetery	C	C	-	No parking	
Church/religious assembly	P	P		No parking	
Information Center	P	P		No parking	
Museums, libraries	P	-	P	No parking	
Parks, playgrounds, or community centers	P	P	Note j	No parking	
Residential					
Residential Shelter	C	-	-	1 per 4 beds, 2.5 per 1,000 sq. ft.*	
Live/work	P	S		1.5 per unit	Section 20.70.120
Residential multiple dwelling	P	P	-	1 per unit	
Residential Care Facility for 7 or more persons	C	C	-	.75 per employee	
Residential Services Facility for 7 or more persons	C	C	-	.75 per employee	
Single room occupancy living unit	S	S	-	.6 per room	Part 15, Chapter 20.80
Single room occupancy hotel	S	S	-	.6 per room	Park 15, Chapter 20.80
Residential Accessory Uses					
Accessory buildings and structures	P	P	-	No parking	Note 2
Recycling Uses					
Reverse vending	S	S	-	No parking	Note 3
Small collection facility	S	S	-	No parking	Note 3
Transportation and Communication					

Table 20-140 Downtown Districts Land Use Regulations					
Use	Zoning Districts		Applicable Notes & Sections		
	DC	DC-NT1	Additional Use Regulations for the DG Area	Parking	Applicable to All Downtown Districts
Community television antenna systems	C	-	-	No parking	
Off-site and alternating use parking arrangements	P	P	-	N/A	Section 20.90.200
Parking establishment, off-street	P	P	-	N/A	
Private Electrical Power Generation Facility	C	C	-	1 for each vehicle used in the operation of such facility	
Standby Generators that do not exceed noise or air standards	A	A	-	N/A	
Temporary Stand-by/Backup generators	P	P	-	N/A	
Short term parking lot for uses or events other than on-site	S	S		N/A	
Radio & Television Studios	P	-	Note n	No parking	
Wireless communication antenna	S	-	-	No parking	Section 20.80.1900
Wireless communication antenna, building mounted	P	-	-	No parking	Section 20.80.1900
Electrical Power Generation					
Solar Photovoltaic System	P	P	-	No parking	Section 20.100.610(C)(7)
Vehicle Related Uses					
Accessory installation for cars and passenger trucks	P	-	-	No parking	
Car wash, detailing	P	-	-	No parking	
Gas or charge station	P	-	-	No parking	Note 3, Note 8
Gas or charge station with incidental service and repair	P	-	-	No parking	Note 3
Sale and lease, vehicles and equipment (less than one ton)	P	-	-	1.5 per employee	Note 4
Tires, batteries, accessories, lube, oil change, smog check station, air conditioning	P	-	-	2 per bay or .75 per employee	Note 5
Sale, vehicle parts, new	P	-	-	No parking required	
Historic Reuse					
Historic Landmark Structure Reuse	S	S		Section 20.90.220.E	Part 8.5 Chapter 20.80

Notes:

Notes applicable to the DG Area only:

- (a) Excluding second-hand stores not dealing primarily in antiques, artworks, or vintage clothing.
- (b) Only as a use incidental to a retail jewelry store, otherwise, not permitted.
- (c) Only as a use incidental to existing on-site office use, otherwise not permitted.
- (d) Culinary/Art School with public classes and public demonstrations allowed, includes such areas as dance, music, martial arts, and fine arts.
- (e) Allowed only as an incidental use to other allowed recreation uses.
- (f) Only as a use incidental to restaurant, grocery or bakery uses for primarily on site sales, otherwise not permitted.
- (g) Excludes check-cashing services, photography studios, weight loss centers, interior decorating, and bail bond services.
- (h) Only if dedicated primarily to on-site retail customer copy services, otherwise not permitted.
- (i) Exception for travel agencies and real estate agencies which are the only permitted uses.
- (j) Community centers are not allowed.
- (k) Exception for copy shops and mail centers which are the only permitted uses.
- (l) Use of ground floor to be primarily dedicated to customer-related public services.
- (m) Includes financial retail services such as foreign currency exchange, debt card services and related financial services products but excludes check cashing except as an ancillary use.
- (n) In order to be a permitted use, the space to be occupied shall have been vacant on January 1, 2012, the size of the space of such use shall be limited in size to a total maximum area of no greater than 20,000 sq.ft., and the space shall not be located within a corner tenant space that is directly adjacent to the intersection of two public streets. Any use that does not meet all of the criteria specified above in this note may be allowed with a Special Use Permit, and a Special Use Permit is and shall be required.

Notes applicable to Downtown Core (DC) Zoning District, including DG Area:

- (1) Excludes manufacturing uses.
- (2) No lot may be used solely for an accessory structure or building.
- (3) Incidental repair includes air conditioning service, carburetor & fuel injection service, electrical service, radiator service, and tune-up, lube, oil change, and smog check, as well as tires, batteries and accessories installation. Does not allow body repair or painting.
- (4) All activity must be conducted indoors.
- (5) Non-engine and exhaust related service and repair allowed as incidental use.
- (6) Limited to instrumental and vocal music and readings. Also, notwithstanding the provisions of Section 20.200.940(2), incidental instrumental and vocal music shall be allowed between the hours of 6:00 a.m. and 12:00 a.m.
- (7) Maximum occupancy load shall be that maximum occupancy load determined by the City Fire Marshall.
- (8) Pedestal charging stations that are incidental to a separate primary use, that do not impact on-site or off-site vehicular circulation, and that serve patrons of the primary use on-site are permitted in all downtown zoning districts.

* Under the Parking Management Plan, October 2001, the Code may be changed to reduce the parking allotments for these uses. The reduction would be to 2.5 spaces per 1,000 square feet when BART is opened.

Fifteen percent (15%) of total parking requirement must be provided off-site.

SECTION 3. Chapter 20.80 of Title 20 of the San José Municipal Code is amended to add a new Part, to be numbered, entitled and to read as follows:

Part 12.5
Payday Lending Establishments

20.80.1050 **Certificate Required**

- A. No person shall operate or suffer or allow the operation of a Payday Lending Establishment until such time as a Zoning Code Verification Certificate has been duly applied for and issued by the Director pursuant to the provisions of Chapter 20.100 of this Title applicable to Zoning Code Verification Certificates, which Zoning Code Verification Certificate confirms full conformance of a proposed Payday Lending Establishment with all of the applicable locational siting and licensing requirements of this Title. The application for such Zoning Code Verification Certificate shall be filed pursuant to the requirements and processes set forth in Chapter 20.100 applicable to Zoning Code Verification Certificates.
- B. A person intending to commence operation of a Payday Lending Establishment at the same location occupied or previously occupied by a legally operating Payday Lending Establishment may be issued a Zoning Code Verification Certificate without full conformance with the locational siting requirements of this Title, so long as the prior Payday Lending Establishment use has not been discontinued or abandoned for a period of six months or more.

20.80.1055 **Restrictions and Conditions**

The location and operation of Payday Lending Establishments shall be subject to and shall comply with all of the restrictions and conditions set forth in this Section, in addition to those restrictions and conditions that may be imposed on a Payday Lending Establishment under or pursuant to other provisions of the San Jose Municipal Code or

other applicable state or local laws, regulations or policies. Anyone operating or allowing or suffering the operation of a Payday Lending Establishment shall comply with, or shall cause the compliance with, all of the restrictions and conditions set forth in this Section, in addition to those restrictions and conditions that may be imposed on a Payday Lending Establishment under or pursuant to other provisions of the San Jose Municipal Code or other applicable state or local laws, regulations or policies.

- A. At the time of issuance of a Zoning Code Verification Certificate, no Payday Lending Establishment shall be located within a census tract identified by the most recently available census data from the U.S. Census Bureau's American Community Survey as having a median household income below that defined by the U.S. Department of Housing and Urban Development as "very low income" for a two-person household ("Very Low Income Census Tract") or closer than a minimum of one thousand three hundred twenty (1,320) feet from the boundary of a Very Low Income Census Tract, measured from the parcel line of the parcel on which the Payday Lending Establishment is located.
- B. At the time of issuance of a Zoning Code Verification Certificate, no Payday Lending Establishment shall be located on a parcel of real property that is closer than a minimum of one thousand three hundred twenty (1,320) feet from any parcel on which another Payday Lending Establishment is located, measured from the closest parcel lines of the respective parcels.
- C. A Payday Lending Establishment shall hold, maintain and be in compliance with a valid license issued by the State of California under the California Deferred Deposit Transaction Law, as amended from time to time.

20.80.1060 **Maximum Number**

No more than a maximum of thirty-nine (39) Payday Lending Establishments shall be sited in the City.

SECTION 4. On November 8, 2011, the City adopted Ordinance No. 28991 to suspend the effectiveness of Ordinance No. 28958 that established land use regulations pertaining to medical marijuana, including provisions establishing a new Part 13 of Chapter 20.100 of Title 20 of the San Jose Municipal Code related to Zoning Code Verification Certificates. The suspension of the effectiveness of Sections 20.100.1500, 20.100.1510, 20.100.1520, 20.100.1525 and 20.100.220 related to Zoning Code Verification Certificates, and only those aforementioned sections, contained in Ordinance No. 28991 is hereby rescinded.

SECTION 5. Chapter 20.200 of Title 20 of the San José Municipal Code is amended to add a new section, to be numbered, entitled and to read as follows:

20.200.875 Payday Lending Establishment

“Payday Lending Establishment” is a 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 Section 23001(f) of the California Financial Code, as amended from time to time. Payday Lending Establishment does not include a state or federally chartered bank, thrift, savings association, industrial loan company, or credit union.

PASSED FOR PUBLICATION of title this 15th day of May, 2012, by the following vote:

AYES: CAMPOS, CHU, HERRERA, KALRA, LICCARDO,
OLIVERIO, PYLE, ROCHA; REED.

NOES: CONSTANT.

ABSENT: NGUYEN.

DISQUALIFIED: NONE.



CHUCK REED
Mayor

ATTEST



DENNIS D. HAWKINS, CMC
City Clerk

SAN JOSE POST-RECORD

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SUZANNE GUZZETTA
SAN JOSE CITY CLERK
200 E. SANTA CLARA ST.
SAN JOSE, CA - 95113

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of SANTA CLARA) ss

Notice Type: GORSJ - SAN JOSE ORDINANCE (1 PUB)

Ad Description:
ORD. #29089

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the SAN JOSE POST-RECORD, a newspaper published in the English language in the city of SAN JOSE, county of SANTA CLARA, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of SANTA CLARA, State of California, under date 02/03/1922, Case No. 27844. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

05/18/2012

Executed on: 05/18/2012
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature

RECEIVED
This space for filing stamp only
San Jose City Clerk

2012 MAY 23 PM 3: 37

3"

SJ#: 2317825



ORDINANCE NO. 29089

AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING TITLE 20 OF THE SAN JOSE MUNICIPAL CODE TO AMEND SECTION 20.40.100 OF CHAPTER 20.40 (COMMERCIAL ZONING DISTRICTS), TO AMEND SECTION 20.70.100 OF CHAPTER 20.70 (DOWNTOWN ZONING DISTRICTS), TO ADD A NEW PART 12.5 TO CHAPTER 20.80 (SPECIFIC USE REGULATIONS), TO ADD A NEW SECTION 20.200.575 TO CHAPTER 20.200 (DEFINITIONS), AND RESCINDING THE SUSPENSION OF THE EFFECTIVENESS OF SECTIONS 20.100.1500, 20.10.1510, 20.100.1520, 20.100.1525 AND 20.100.220 UNDER ORDINANCE NO. 28991 ALL IN ORDER TO ESTABLISH LAND-USE REGULATIONS PERTAINING TO PAYDAY LENDING ESTABLISHMENTS PASSED FOR PUBLICATION of title this 15th day of May, 2012, by the following vote:

AYES: CAMPOS, CHU, KALRA, LICCARDO, NGUYEN, OLIVERIO, PYLE, REED, ROCHA.
NOES: CONSTANT.
ABSENT: HERRERA.
DISQUALIFIED: NONE.

CHUCK REED
Mayor
ATTEST:

DENNIS HAWKINS, CMC
City Clerk
5/18/12

SJ-2317825#



* A 0 0 0 0 0 2 6 6 6 1 7 8 *

ORDINANCE NO. 3002-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE TO AMEND CERTAIN SECTIONS OF TITLE 19 (ZONING) OF THE SUNNYVALE MUNICIPAL CODE RELATING TO PAYDAY LENDING ESTABLISHMENTS

SECTION 1. SECTION 19.12.070 AMENDED. Section 19.12.070 of Chapter 19.12 (Definitions) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

19.12.070. "F"

(1)-(5) [Text unchanged.]

(6) "Financial institution" means establishments such as, but not limited to, state or federally-chartered banks, savings and loan associations, credit unions, credit agencies, mortgage lenders, investment companies, non-profit financial institutions and brokers and dealers of securities and commodities. "Financial institution" does not include "Payday lending establishments".

(7)-(10) [Text unchanged.]

SECTION 2. SECTION 19.12.170 AMENDED. Section 19.12.170 of Chapter 19.12 (Definitions) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

19.12.170. "P"

(1) – (2) [Text unchanged]

(3) "Payday lending establishment" means a retail business owned or operated by a "licensee" as that term is defined in California Financial Code section 23001(d), as amended from time to time.

(3) – (15) [Renumber (4) – (16) consecutively. Text unchanged]

SECTION 3. TABLE 19.18.030 AMENDED. Table 19.18.030 of Chapter 19.18 (Residential Zoning Districts) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**TABLE 19.18.030
Permitted, Conditionally Permitted and Prohibited Uses in Residential
Zoning Districts**

In the table, the letters and symbols are defined as follows:

P = Permitted use

MPP = Miscellaneous Plan Permit required

UP = Use Permit required

SDP = Special Development Permit required

N = Not permitted, prohibited

RESIDENTIAL ZONING DISTRICTS	R-0/R-1	R-1.5	R-1.7/PD	R-2	R-3	R-4	R-5	R-MH
1.-6. [Text unchanged.]								
7. <i>Other Uses</i>								
A-N. [Text unchanged.]								
O. Payday Lending Establishment	N	N	N	N	N	N	N	N

SECTION 4. TABLE 19.20.030 AMENDED. Table 19.20.030 of Chapter 19.18 (Commercial Zoning Districts) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**TABLE 19.20.030
Permitted, Conditionally Permitted and Prohibited Uses in Commercial Zoning Districts**

In the table, the letters and symbols are defined as follows:

- P = Permitted use
- UP = Use permit required
- MPP = Miscellaneous plan permit
- N = Not permitted, prohibited

COMMERCIAL ZONING DISTRICTS	C-1	C-2	C-3	C-4
1 - 9 [Text Unchanged]				
10. Other				
A-K [Text Unchanged]				
L. Payday lending establishment	N	MPP ⁹	N	N

1-8. [Text unchanged.]

9. Subject to the provisions of Section 19.20.050

SECTION 5. SECTION 19.20.050 ADDED. Section 19.20.050 of Chapter 19.20 (Commercial Zoning Districts) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

19.20.050. Payday Lending Establishments.

(a) **Distance Requirement.** Payday lending establishments are prohibited within 1,000 feet of the parcel boundaries of any other payday lending establishment.

(b) **Maximum Number of Payday Lending Establishments.** The maximum number of payday lending establishments that may be operating at any one time is six.

(c) **Operational Standards.** Payday lending establishments must meet the following minimum operational standards at all times, which are the obligation of the owner of the payday lending establishment:

(1) The approved lighting plan for the tenant space must be maintained (plan required with the submittal of the applicable planning permit application); and

(2) Hours of operation must be between the hours of 7 a.m. to 7 p.m. daily; and

(3) At least one sign (minimum four sq. ft.) shall be posted in the business that is clearly visible to patrons from the entrance of the store with information on alternatives to payday loans. The exact language for the sign will be uniform and created by the Community Development Director. All payday lending establishments will be subject to comply with this operational standard 6 months after of adoption of this ordinance.

SECTION 6. SECTION 19.22.030 AMENDED. Section 19.22.030 of Chapter 19.22 (Industrial Zoning Districts) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**TABLE 19.22.030
Permitted, Conditional Permitted and Prohibited Uses in Industrial
Zoning Districts**

In the table, the letters and symbols are defined as follows:

- P** = Permitted use
- MPP** = Miscellaneous plan permit required
- UP** = Use permit required
- N** = Not permitted, prohibited
- FAR** = Floor area ratio restrictions
- >** = Greater than
- N/A** = FAR does not apply

Use Regulations by Zoning District USE	M-S Zoning Districts FAR ³	M-S Zoning Districts	M-S/POA Zoning Districts	M-3 Zoning Districts FAR ³	M-3 Zoning Districts
<i>1 – 5 [Text Unchanged]</i>					
<i>6. Other</i>					
<i>A – R [Text Unchanged]</i>					
S. Payday lending establishment	N/A	N	N	N/A	N

TABLE 19.24.030
Permitted, Conditionally Permitted and
Prohibited Uses in Office and Public Facilities Zoning Districts

In the table, the letters and symbols are defined as follows:

- P** = Permitted use
- UP** = Use permitted required
- MPP** = Miscellaneous plan permit required
- N** = Not permitted, prohibited

OFFICE AND PUBLIC FACILITIES ZONING DISTRICTS	O	P-F
<i>1 – 5 [Text Unchanged]</i>		
<i>6. Other</i>		
A – M [Text Unchanged]		
N. Payday lending establishment	N	N

SECTION 8. SECTION 19.28.070 AMENDED. Section 19.28.070 of Chapter 19.28 (Downtown Specific Plan District) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

TABLE 19.28.070
Permitted, Conditionally Permitted and Prohibited
Uses in Mixed Use, Commercial and Office DSP Blocks

In the table, the letters and symbols are defined as follows:

- P** = Permitted use
- SDP** = Special development permit required
- MPP** = Miscellaneous plan permit required
- N** = Not permitted, prohibited

DSP MIXED USE, COMMERCIAL AND OFFICE BLOCKS	1	1a	2	3	7	13	18	20
<i>1 – 5 [Text Unchanged]</i>								
6. Other Uses								
A – O [Text Unchanged]								
P. Payday lending establishment	N	N	N	N	N	N	N	N

SECTION 9. SECTION 19.29.050 AMENDED. Section 19.29.050 of Chapter 19.29 (Moffett Park Specific Plan Districts) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**Table 19.29.050
Permitted, Conditionally Permitted and Prohibited Uses
in MPSP Subdistricts**

In the table, the letters and symbols are defined as follows:

P = Permitted use. A Moffett Park Design Review Permit is required pursuant to Section 19.29.050(c). Development exceeding the standard FAR limit must be reviewed through a major permit.

SDP = Special development permit. A Moffett Park Special Development Permit is required.

MPP = Miscellaneous Plan Permit. A Miscellaneous Plan Permit is required.

N = Not permitted. Prohibited.

Use	Specific Plan Subdistrict		
	MP-TOD	MP-I	MP-C
1 - 7 [Text Unchanged]			
8. Other			
A - U [Text Unchanged]			
V. Payday lending establishment	N	N	N

SECTION 10. EXEMPTION FROM CEQA. The City Council finds that although the modifications to the ordinance are considered a project under the California Environmental Quality Act (CEQA) analysis of the Initial Study checklist has led to a conclusion that adopting the proposed ordinance modifications is exempt from CEQA under Guideline 15061(b)(3), because it can be seen with certainty it will not have a significant impact on the environment.

SECTION 11. CONSTITUTIONALITY; SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council declares that it would have adopted this ordinance and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause or phrase be declared invalid.

SECTION 12. EFFECTIVE DATE. This ordinance shall be in full force and effect 30 days from and after the date of its adoption.

SECTION 13. POSTING AND PUBLICATION. The City Clerk is directed to cause copies of this ordinance to be posted in three (3) prominent places in the City of Sunnyvale and to cause publication once in *The Sun*, the official newspaper for publication of legal notices of the City of Sunnyvale, of a notice setting forth the date of adoption, the title of this ordinance,

and a list of places where copies of this ordinance are posted, within 15 days after adoption of this ordinance.

Introduced at a regular meeting of the City Council held on September 24, 2013, and adopted as an ordinance of the City of Sunnyvale at a regular meeting of the City Council held on October 8, 2013, by the following vote:

AYES: SPITALERI, GRIFFITH, MOYLAN, MEYERING, MARTIN-MILIUS, DAVIS

NOES: WHITTUM

ABSTAIN:

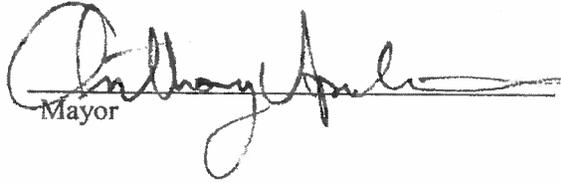
ABSENT:

ATTEST:

APPROVED:



City Clerk
Date of Attestation: October 15, 2013



Mayor

(SEAL)

APPROVED AS TO FORM:



City Attorney

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 16, 2015

From: Wendy Wood, City Clerk *WJ*

Via: Mark Linder, City Manager *MJ*

Subject: Desk Item 16 – E-mail from Lisa Simons

On November 16, 2015, the Clerk's Office received e-mail from Lisa Simons, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: Campbell City Council meeting re: Payday lending

From: Liz Gibbons
Sent: Monday, November 16, 2015 9:08 AM
To: Mark Linder; Wendy Wood
Subject: Fwd: Campbell City Council meeting re: Payday lending

FYI and please send acknowledgement.
Liz

Sent from my iPad

Begin forwarded message:

From: Lisa Simons
Date: November 16, 2015 at 7:55:04 AM PST
To: "jeffc@cityofcampbell.com" <jeffc@cityofcampbell.com>, "jasonb@cityofcampbell.com" <jasonb@cityofcampbell.com>, "michaelk@cityofcampbell.com" <michaelk@cityofcampbell.com>, "lizg@cityofcampbell.com" <lizg@cityofcampbell.com>, "paulr@cityofcampbell.com" <paulr@cityofcampbell.com>
Subject: Campbell City Council meeting re: Payday lending
Reply-To: Lisa Simons

I am a Campbell resident and live at 550 W. Hacienda Ave. I have lived in Campbell for almost 10 years. I support the amendment to the Campbell Zoning Ordinance that would create regulations for payday lenders and check cashing establishments for the following reasons:

- Storefront payday lenders offer small loans with exorbitant interest rates and prey on low-income individuals.
- Campbell has the highest payday lender and check casher per capita ratio in Santa Clara County—there is one payday lender or check casher for every 7,531 Campbell residents. In neighboring San Jose, the ratio is one per 25,603 residents.

I support the staff recommendation and also recommend that the City Council require that payday lenders also post information about alternatives to payday loans, as the city of Sunnyvale has done in their payday lending ordinance.

I urge you to vote "YES" on the Zoning Ordinance Amendment for a thriving Campbell. It is a very strong zoning ordinance amendment that protects the interests of Campbell residents.

Sincerely,
Lisa Simons

MEMORANDUM



**City of Campbell
City Clerk's Office**

To: Honorable Mayor and City Council

Date: November 16, 2015

From: Wendy Wood, City Clerk 

Via: Mark Linder, City Manager 

Subject: Desk Item 16 – E-mail from Abbas Jaffari

On November 16, 2015, the Clerk's Office received e-mail from Abbas Jaffari, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: Zoning text amendment ordinance for payday lenders and check cashing businesses.

From: ABBAS JAFFARI

Sent: Sunday, November 15, 2015 11:32 PM

To: Jason Baker; Michael Kotowski; Liz Gibbons; Paul Resnikoff; Campbell City Managers Office

Subject: Zoning text amendment ordinance for payday lenders and check cashing businesses.

To whom it may concern

I'm writing to express my deep concern regarding a recent city of Campbell zoning text amendment ordinance for payday lenders and check cashing businesses.

I am the owner of Provident Payday Loans in the city of Campbell. Since 2004, these businesses have provided help to people who need immediate funds. These customers need funds to prevent issues such as bounced checks for rent, car payments, utilities bills and overdraft fees (which their banks will charge around \$30.00 for each check).

If the city passes this amendment, I believe landlords in new proposed areas of the city will not sign a lease to our type of business. Especially, since there are rumors that these businesses might be shut down nationwide soon.

I am sixty years old and relocating my business is not an option due to high rental fees. I will lose my home and my health insurance.

I respectfully ask you to not pass the amendment.

MEMORANDUM



**City of Campbell
City Clerk's Office**

To: Honorable Mayor and City Council

Date: November 16, 2015

From: Wendy Wood, City Clerk 

Via: Mark Linder, City Manager 

Subject: Desk Item 16 – E-mail from Behzad Tabrizi

On November 16, 2015, the Clerk's Office received e-mail from Behzad Tabrizi, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: BMT Money Market

Importance: High

-----Original Message-----

From: BEHZAD MOHAJER TABRIZI

Sent: Monday, November 16, 2015 12:39 PM

To: Jeffrey Cristina; Jason Baker; Michael Kotowski; Liz Gibbons; Paul Resnikoff; Campbell City Managers Office

Subject: BMT Money Market

Dear Mayor, Vice Mayor, Council Members & City Manager:

My name is Behzad M. Tabrizi and I am the owner of "BMT Money Market" located at 831 Union Ave in Campbell.

I had been working in this location since 2002 as a manager and bought the business on 2009 from the previous owner. I am writing to you regarding a City initiated Zoning Text Amendment to amend Campbell Zoning Ordinance regarding payday lenders and check cashing establishments.

The reason of my writing is to let the City of Campbell staff know,

First, my business doesn't offer payday loan which look like is the main concern of this Text Amendment.

Second, I have to say beside check cashing, my business offer many other services that our neighbors use to make there day to day life easier. We offer Money Order that people porches to pay their bills, rent, and other things. We offer Western Union that people use to send money to their family members. We offer Bill Pay and also we are PG&E Authorized Payment Center, which is essential to our neighbors, since there are no other place close by that offer this service. And much more services that we do to help our neighborhood.

Third, I have invested \$200,000 in this business and infect I'm still paying payment on it. I have two small kids and my wife is not working because she is taking care of our kids, so this business is our only source of income for our family and in the case of closing, me and my family will be in series trouble.

Please take this in consideration and don't close our doors.

I thank you and I would be available to discuss all and any aspects with you.

Behzad M. Tabrizi
BMT Money Market
831 Union Ave
Campbell, CA 95008

MEMORANDUM



City of Campbell
City Clerk's Office

To: Honorable Mayor and City Council

Date: November 16, 2015

From: Wendy Wood, City Clerk *W Wood*

Via: Mark Linder, City Manager *M Linder*

Subject: Desk Item 16 – E-mail from Sherrie Wise

On November 16, 2015, the Clerk's Office received e-mail from Sherrie Wise, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: Desk Item for 11/17/2015

From: Sherrie Wise
Sent: Monday, November 16, 2015 1:16 PM
To: Web Distribution City Clerk
Subject: Desk Item for 11/17/2015



DATE November 16, 2015
TO CITY CLERK
FROM Thomas Leonard, Executive Directors,
RE CFSP
Desk Item for 11/17/2015

Desk Item for 11/17/2015

The California Financial Service Providers, (CFSP), respectfully request that the City of Campbell City Council table consideration of proposed local ordinance on payday lending until the January or February, 2016 board hearing.

Currently, the federal Consumer Finance Protection Bureau (CFPB), and California state legislature are considering regulations on payday lending which may very well provide resolution. There does not appear to be any urgency, excepting pressure from consumer advocates, that consistently oppose this product without consideration for business owners or the thousands of customers who enjoy the freedom of choice and access to credit.

CFSP members are small business owners, and employers, who provide vital services to your communities. The proposed ordinance threatens jobs and services to many. As a statewide organization, CFSP has worked with other cities which have adopted ordinances that have allow owners to remain in business, while restricting new licensing and permitting. If the delay is granted, your

constituent, other affected business owners, and CFSP will have the time needed to share studies and other ordinances that provide a balanced approach. I live in Fresno and would like to take part in this process. Postponing the hearing will give me an opportunity to arrange to be in Campbell for the hearing. PLEASE grant the delay to at least January or February, 2016.

**We were just informed CFPB will release new regulations on Jan 12, 2016. We respectfully ask this motion be tabled until after that date

Thomas L Leonard,
Executive Director
California Financial Services Providers (CFSP)

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 16, 2015

From: Wendy Wood, City Clerk *WJ*

Via: Mark Linder, City Manager *ML*

Subject: Desk Item 16 – E-mail from Sumant Jeswani

On November 13, 2015, the Clerk's Office received e-mail from Sumant Jeswani, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: The City of Campbell - Ordinance re: Payday Lending
Attachments: Campbell Ordinance 11102015-1227.pdf; Letter to City of Campbell pdf 123.pdf

From: Sumant Jeswani
Sent: Friday, November 13, 2015 2:07 PM
To: Web Distribution City Clerk
Subject: Fwd: The City of Campbell - Ordinance re: Payday Lending

Dear Ms Wendy Wood & Ms Anne Bybee

I have emailed this to all the council members, mayor and vice-mayor. Have not heard a response back from them. Is there any way to get an extension on this.

Thanks
Sumant
Check 2 Cash
152-N. San Tomas Aquino Rd
Campbell, Ca 95008
650-504-1127

RESOLUTION NO. 4258

BEING A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CAMPBELL RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE APPROVING A TEXT AMENDMENT TO AMEND THE FOLLOWING TO THE CAMPBELL ZONING CODE: CHAPTER 21.10 (COMMERCIAL AND INDUSTRIAL DISTRICTS); CHAPTER 21.12 (SPECIAL PURPOSE DISTRICTS); SECTION 21.72.020 (DEFINITIONS); AND CHAPTER 21.36 PROVISIONS APPLYING TO SPECIAL USES) TO CREATE REGULATIONS FOR PAYDAY LENDERS AND CHECK CASHING ESTABLISHMENTS.
FILE NO.: PLN2015-294

After notification and public hearing, as specified by law and after presentation by the Community Development Director, proponents and opponents, the hearing was closed.

The Planning Commission finds as follows with regard to file number PLN2015-294:

Environmental Findings

1. The proposed Text Amendment project is exempt from the California Environmental Quality Act under Section 15061.b.3 because it has no potential for resulting in a physical change to the environment.
2. The project consists of a Text Amendment amending the following to the Campbell Zoning Code: Chapter 21.10 (Commercial and Industrial Districts); Chapter 21.12 (Special Purpose Districts); and Section 21.72.020 (Definitions), and Chapter 21.36 (Provisions Applying to Special Uses) of the Zoning Ordinance to create regulations for payday lenders and check cashing establishments.
3. No substantial evidence has been presented from which a reasonable argument could be made that shows that the project will have a significant adverse impact on the environment.

Evidentiary Finding

1. The legislature of the State of California has, in Government Code Sections 65302, 65560 and 65800, conferred upon local government units the authority to adopt regulations designed to promote the public health, safety and general welfare of its citizenry.
2. Review and adoption of this Text Amendment is done in compliance with California Government Code Sections 65853 through 65857, which require a duly noticed public hearing of the Planning Commission whereby the Planning Commission shall provide its written recommendation to the City Council for its consideration.
3. The City of Campbell recognizes the importance of promoting the public health, safety and general welfare, and providing adequate locations for the establishment of various uses that serve the community.

Based on the foregoing findings of fact, the Planning Commission further finds and concludes that:

1. The proposed amendment is consistent with the goals, policies, and actions of the General Plan;
2. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City; and
3. The proposed amendment is internally consistent with other applicable provisions of the Zoning Code.

THEREFORE, BE IT RESOLVED that the Planning Commission recommends that the City Council adopt an Ordinance approving a Text Amendment (PLN2015-294) to amend the Campbell Zoning Code as set forth in **Exhibit A**.

PASSED AND ADOPTED this 27th day of October, 2015, by the following roll call vote:

AYES:	Commissioners:	Finch, Bonhagen, Dodd, Kendall, Reynolds, Rich and Young
NOES:	Commissioners:	None
ABSENT:	Commissioners:	None
ABSTAIN:	Commissioners:	None

APPROVED: _____
Pamela Finch, Chair

ATTEST: _____
Paul Kermoyan, Secretary



November 9, 2015

The Honorable Jeffrey Cristina
Mayor, City of Campbell
70 North First Street
Campbell, CA 95008

Executive Committee

President

Dan Gwaltney

Vice President

Eric Norrington

Vice President

Jeff Silverman

Secretary /Treasurer

Murray Schacher

President Emeritis

Aggie Clark

Executive Director

Thomas Leonard

Board of Directors

Susan Evans

Rod Garza

Cody Goulding

Ardyth Kennedy

Jeff Lum

Kathy Mason

Jennifer C. Robertson

Craig Wells

Good morning Mr. Mayor,

I am the Executive Director of California Financial Service Providers Association (CFSP) with members representing over 1500 sites in CA, including some in your city.

The ordinance introduced, heard in Planning Department, and scheduled for your Council meeting on November 17, 2015 will create extreme hardship to our members including the strong potential of loss of their business and life's investment.

I certainly respect the Council interest in the matter and wish to work with you in formulating an ordinance that will find a solution that allows our members to continue employing residents and provide short term credit to your constituents. We have worked with City Councils all over the State of CA to successful conclusions.

In an effort to provide you and your fellow Council members a full understanding of the products and services now in question allowing Members to make their decisions based on a full knowledge and understanding of the issues I respectfully ask for the matter to be set aside until the December meeting or perhaps the January meeting taking into consideration the holidays just ahead.

Some of the issues of concern we would communicate in meetings and additional submitted information to Council members would include, but not limited to:

- There were no store visits by any staff or Commissioners.
- The restorations include a 500-foot distance from any liquor store with no discussion or factual basis in the staff report for that. We are unaware this is a problem and no data was presented to warrant this restriction.
- The amended the zoning and density regulations would require lenders to relocate to one of 5 specified zones (one is already there) and to prohibit more than 3 lenders/check cashers in the city after grandfathering the current 5 for 2 years. Current operators can apply for extensions but they will need to show not only ongoing leases but substantial investment in their leased properties.

1 of 3



- The combination of the zone requirements and the liquor store distance requirements have the effect of limiting affected businesses to a few slivers of potential land. One of our members has surveyed the available areas and found no properties suitable for this business purpose.
- The blanket prohibition of payday lenders and check cashers in the following zoning districts: professional office; neighborhood commercial; central business district; low income census tracts; controlled manufacturing; light industrial; new condominium/converted condominium; planned development; and a couple of undescribed districts. We believe the market should determine such occupancy;
- It was pointed out at the Planning hearing that, out of the 6 businesses located in the city of Campbell, only one will be allowed to remain in business at the same location 2 years from the effective date of this proposed rule.
- Limitation to one payday or and check casher in each of 5 general commercial-zoned quadrants, apparently temporarily;
- No full grandfathering. Require existing businesses to move out in 2 years, unless they can prove they have made substantial investment in current presumes, cannot recoup their investment; and have made good with efforts to recoup their investment and relocate. This is not reasonable, and we believe it constitutes both impairment of contracts and a taking of property without due process.
- Staff report cites information from year 2009 on Status of the Payday Loan industry. That information is very dated and not reliable in 2015.
- Report cites data from 1997 study by Santa Clara Police Department. Again, this data is nearly 20 years old from a neighboring city. NO current data supports any safety issues with our stores and their products in the City of Campbell.
- Report cites "proliferation" as a reason for the recommendation: but all of the affected businesses have been doing business in Campbell since at least 2004.
- Affected companies would still be subject to lease terms often several years and thousands of dollars further impacting our members financially.
- We are also concerned that the current draft contains a number of unsupported conclusions. For example, it states, upon no evidence that expelling payday lenders and check cashers from low income census tracts would encourage traditional financial institutions offering a wider range of services.



IN SUMMARY

This matter was identified by your Council Priority Setting Workshop on January 26, 2015. No notice was provided to affected businesses until the day before the Planning Commission hearing. Recognizing we are ten months later, it appears the matter was not considered urgent. Accordingly we respectfully ask this matter be held over for the December 2015 or January 2016 Council meeting providing affected parties, which include our Association members, a full opportunity to meet with Council members, schedule visits to store sites they seek to close or force a relocation of, and allow time to secure current data from police agencies. Additionally we will provide Council members current information on the Payday industry from sources that include CA Department of Business Oversight (DBO) and published papers from University academia and Federal Reserve Bank.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Thomas L. Leonard".

Thomas L. Leonard Executive Director

cc: Jason Baker-Vice Mayor
Liz Gibbons Council Member
Paul Resnikoff Council Member
Michael Kotowski Council Member

Dan Gwaltney, President, CFSP
Paul Soter, Attorney for CFSP

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 16, 2015

From: Wendy Wood, City Clerk. *WW*

Via: Mark Linder, City Manager *ML*

Subject: Desk Item 16 – E-mail from Melissa Morris

On November 16, 2015, the Clerk's Office received e-mail from Melissa Morris, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: November 17, 2015 City Council Meeting, Item 16 (Payday Lending)
Attachments: capp_campbell letter to council.pdf

From: Mark Linder
Sent: Monday, November 16, 2015 4:12 PM
To: Wendy Wood
Subject: FW: November 17, 2015 City Council Meeting, Item 16 (Payday Lending)

Another letter.
Mark

From: Melissa Morris
Sent: Monday, November 16, 2015 3:59 PM
To: Jeffrey Cristina; Jason Baker; Michael Kotowski; Liz Gibbons; Paul Resnikoff; Mark Linder
Subject: November 17, 2015 City Council Meeting, Item 16 (Payday Lending)

Dear Mayor Cristina and Councilmembers,

Please find attached a letter from the Coalition Against Payday Predators regarding Item 16 on tomorrow evening's agenda.

Many thanks,

Melissa A. Morris | Senior Attorney
Public Interest Law Firm

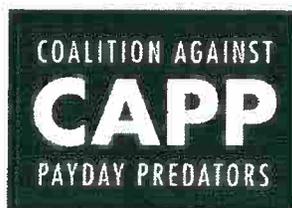


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SENT VIA E-MAIL.

November 16, 2015

Jeffrey Cristina, Mayor
Members of the City Council
City of Campbell
70 N. First St.
Campbell, CA 95008

Re: Item 16 (November 17, 2015)—Payday Lending

Dear Mayor Cristina and City Council:

We write on behalf of the Coalition Against Payday Predators (CAPP),¹ a broad coalition of individuals and over 40 community-based organizations who support policy reforms regarding payday lending and local restrictions on payday lenders in Santa Clara County. CAPP believes that sensible regulation of payday lending will lead to greater economic security and prosperity. We urge the City Council to adopt the recommendations of the Planning Commission and to pass an Ordinance limiting the placement of payday lenders and check cashing establishments in Campbell. In addition to the restrictions recommended by the Planning Commission, we further ask the Council to require payday loan stores to display information about alternatives to payday lending so that consumers will be better able to make informed choices about whether or not to take out payday loans.

Payday Loans and Payday Lending²

Payday loans are lending transactions in which a borrower provides a lender with a post-dated check and receives immediate cash from the lender. The borrower's check includes not only the principal loan amount, but also any interest and fees charged by the lender. The lender then cashes the borrower's check on the borrower's next payday unless the loan has been repaid by that date.

¹ CAPP's core leaders include the Law Foundation of Silicon Valley, Asian Law Alliance, United Way of Silicon Valley, Working Partnerships USA, and West Valley Community Services. CAPP's efforts are funded in part by a grant from the Silicon Valley Community Foundation.

² The text of this section is taken largely from a memo submitted by CAPP to the City of Campbell in August 2014.

Payday loans, sometimes called deferred deposit transactions or cash advances, comprise one corner of a larger universe of “alternative” or “fringe” financial services, which also include check cashing services, pawn brokers, and rent-to-own stores.³ In California, payday loans are small-dollar loans; state law caps them at \$300.⁴ However, these loans, including the relatively large fees associated with them, must be repaid quickly; the average term of a payday loan is 16 days.⁵ Due to this short repayment timeframe, payday loans carry average APRs⁶ of over 360 percent.⁷

Payday lending is widespread in California. In 2014, over 1.8 million Californians were issued payday loans.⁸ Although payday loans are advertised as short-term credit products for use in emergencies, data show that most payday loan borrowers are unable to repay their loans in lump sum and that payday loan borrowers are indebted for an average of five months per year.⁹ Further, the average payday loan borrower takes out eight loans per year, “often renewing an existing loan or taking out a new loan within days of repaying the previous one.”¹⁰ In 2012, over a quarter of all California payday loan borrowers took out 10 or more payday loans in that year alone.¹¹

Payday lenders and other fringe financial services tend to be more densely concentrated in lower-income areas and communities of color.¹² One study found that “[e]ven after controlling for income and a variety of other factors, payday lenders are 2.4 times more concentrated in African American and Latino communities. On average, controlling for a variety of relevant factors, the nearest payday lender is almost twice as

³ See, e.g., Sharon Hermanson and George Gaberlavage, “The Alternative Financial Services Industry,” AARP Public Policy Institute (Aug. 2001) (available at <http://www.aarp.org/research/credit-debt/credit/aresearch-import-198-1B51.html>). The San Francisco Municipal Code also uses the term “fringe financial services” to refer to these types of establishments. San Francisco Muni. Code § 790.111.

⁴ Cal. Fin. Code, § 23035, subd. (a).

⁵ California Department of Business Oversight, *Annual Report: Operation of Deferred Deposit Originators Licensed Under the California Deferred Deposit Transaction Law* (2014) 4 (available at http://www.dbo.ca.gov/Licensees/Payday_Lenders/).

⁶ The APR, or Annual Percentage Rate of Interest, was developed by Congress “as a standard measure that calculates the simple interest rate on an annual basis (including most fees), accounts for the amount of time the borrower has to repay the loan, and factors in the reduction in principal as payments are made over time.” Center for Responsible Lending, “APR Matters on Payday Loans” (June 23, 2009) (available at <http://www.responsiblelending.org/payday-lending/research-analysis/apr-matters-on-payday-loans.html>).

⁷ California Department of Business Oversight, *Annual Report: Operation of Deferred Deposit Originators Licensed Under the California Deferred Deposit Transaction Law* (2014) 8 (available at http://www.dbo.ca.gov/Licensees/Payday_Lenders/).

⁸ *Id.* at 7.

⁹ The Pew Charitable Trusts, *Payday Lending in America: Who Borrows, Where They Borrow, and Why* (Jul. 2012), 6 (available at http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Pew_Payday_Lending_Report.pdf).

¹⁰ *Id.* at 9.

¹¹ California Department of Business Oversight, *Summary Report: California Deferred Deposit Transaction Law—Industry Survey* (2013) 6 (available at http://www.dbo.ca.gov/Licensees/Payday_Lenders/Default.asp).

¹² See, e.g., Brookings Institution, “From Poverty, Opportunity: Putting the Market to Work for Lower Income Families,” (2006) (available at http://www.brookings.edu/reports/2006/07/poverty_fellowes.aspx).

close to the center of an African American or Latino neighborhood as a largely white neighborhood.”¹³

Local, State, and Federal Policy Efforts

CAPP and its allies throughout California have been advocating for stronger consumer protections for payday loan borrowers, as well as local land use policies that limit the proliferation of payday lenders.

In California, payday lenders are governed by the Deferred Deposit Transaction Law (Fin. Code, §§ 23000 et seq.) and by regulations promulgated by the Department of Business Oversight (Cal. Code Regs., tit. 10, ch. 3). These laws govern the maximum loan amounts, fees, and other aspects of how payday lenders operate. Because California has adopted this comprehensive regulatory scheme, local jurisdictions are prohibited from regulating the terms of payday loans under the legal doctrine of preemption.

However, local jurisdictions *are* legally permitted to enact local policies that combat the proliferation of payday lenders in their communities and the overconcentration of these types of businesses in low-income and minority neighborhoods, as well as the blight, nuisance, and other problems caused by payday lending stores. Silicon Valley voters are in favor of such local measures according to a 2010 poll, which found that an overwhelming majority of respondents supported restrictions on payday lenders, and over half believed that such restrictions were appropriate actions for city government.¹⁴

In Santa Clara County, the cities of Los Altos, Gilroy, and Morgan Hill, as well as the County itself, have all imposed permanent moratoria on payday loan stores. While existing stores may continue operation, they may not expand or move, and no new payday loan stores may locate in those cities. San Jose and Sunnyvale both imposed hard caps on payday loan stores. San Jose capped the number of allowable stores at 39, the number in the city at the time its ordinance passed; Sunnyvale’s cap is six, two fewer than the number of stores at the time of its ordinance’s passage.

In addition to moratoria and hard caps, many cities impose other zoning, permitting, and distance requirements on payday loan stores, including limiting payday loan stores to certain zones, requiring conditional use or other discretionary permits, and mandating minimum distances between payday loan stores, as well as between payday loan stores and certain other uses like residential uses, schools, and liquor stores. Some cities, like San Jose and San Francisco, exclude payday lenders from low-income census

¹³ Wei Li, *et al.*, “Predatory Profiling: The Role of Race and Ethnicity in the Location of Payday Lenders in California,” Center for Responsible Lending (Mar. 26, 2009), 25 (available at <http://www.responsiblelending.org/payday-lending/research-analysis/predatory-profiling.pdf>).

¹⁴ Goodwin & Simon Strategic Research, *San José Payday Loan Store Restrictions Survey* (Dec. 2010) (available at <http://www.responsiblelending.org/california/ca-payday/research-analysis/San-Jose-Payday-Lending-Voter-Poll-Memo.pdf>).

tracts or other neighborhoods that may be otherwise vulnerable or overburdened by predatory businesses.

Although check cashing outlets are a different type of “fringe financial service” that are licensed differently than payday lenders, they often exist in the same store fronts with payday lenders, and many cities have elected to regulate payday lenders and check cashers together.

At the federal level, the Consumer Financial Protection Bureau (CFPB) has expressed its intent to issue regulations for payday lenders.¹⁵ The draft regulations are expected in early 2016, and cities may weigh in during the comment process to request strong, effective regulation of payday lenders at the federal level.

Payday Lending in Campbell

Campbell currently has four payday loan stores, each of which also offers check cashing, as well as two check cashers that are not payday lenders. Campbell has one payday lender for every 10,000 residents. In contrast, San Jose has one payday lender for every 25,000 residents; Los Gatos, Cupertino, and Saratoga do not have any payday lenders.

Recommendations

We support the recommendations of Planning staff and the Planning Commission to limit payday lenders and check cashers to five identified commercial quadrants; to require conditional use permits; to exclude payday lenders and check cashers from low-income census tracts; and to require a distance of at least 500 feet between any payday lender/check casher and a liquor store. These requirements are consistent with the similar ordinances in other cities. We also support limiting the total number of payday loan stores in the City to three.

We further support the amortization of payday lenders as nonconforming uses. Although this approach is different from what other Santa Clara County cities have done, it is consistent with Campbell’s goal of phasing out non-conforming uses. As the staff memo points out, “the approach of the recommended provisions is to locate such uses strategically throughout the City for easy public access without disproportionately concentrating them in specific areas. Grandparenting the existing businesses in their current locations would undermine the premise to [sic] which the standards were proposed.”¹⁶ The City also has experience in administering a similar policy with respect to adult-oriented businesses, and staff has thoughtfully considered how to balance the various rights and interests involved in amortizing non-conforming uses.

¹⁵ Anthony Alexis, “You Have a Right to a Fair Financial Marketplace” (Jul. 21, 2015)(available at <http://www.consumerfinance.gov/blog/category/payday-loans/>.)

¹⁶ City Council Report, Public hearing to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Ordinance to create regulations for payday lenders and check cashing establishments (Nov. 17, 2015), 2-3.

If the Council wishes to go beyond the recommendations, it could require payday loan stores to display information about non-profit emergency financial assistance and other alternatives to payday lending. Sunnyvale requires such a display.

We appreciate Council's commitment to this important issue, as well as staff's thoughtful attention and hard work in crafting recommendations. We hope that the City will adopt a strong ordinance to limit the proliferation of payday lenders in Campbell.

Many thanks,



Melissa A. Morris
Senior Attorney, Law Foundation of Silicon Valley



Wendy L. Ho
Advocacy & Public Policy Program Manager, United Way Silicon Valley

/S/

Richard Konda
Executive Director, Asian Law Alliance

/S/

Maria Noel Fernandez
Director of Organizing and Civic Engagement, Working Partnerships USA

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 17, 2015

From: Wendy Wood, City Clerk 

Via: Mark Linder, City Manager 

Subject: Desk Item 16 – E-mail from Shayleen Quast

On November 16, 2015, the Clerk's Office received e-mail from Shayleen Quast, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: Parking at La Valencia, 350 Budd Avenue

From: Quast, Shayleen

Sent: Tuesday, November 17, 2015 8:28 AM

To: Jeffrey Cristina; Jason Baker; Michael Kotowski; Liz Gibbons; Paul Resnikoff; Campbell City Managers Office; Web Distribution City Clerk

Cc: Quast, Shayleen

Subject: Parking at La Valencia, 350 Budd Avenue

Hello,

As a resident of La Valencia and Campbell for over 13 years, I would like to express my support for La Valencia's plan to add additional spaces. I *do not* support the City's proposal.

I am only one tenant with 1 vehicle, but I can imagine how reduction in stall width can and will negatively impact tenants with larger cars (I have a small SUV), children and pets. Not to mention the higher rate of door dings and other potential damage to cars resulting from your proposal.

Regards,

Shayleen Quast
Campbell, CA

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 17, 2015

From: Wendy Wood, City Clerk 

Via: Mark Linder, City Manager 

Subject: Desk Item 16 – E-mail from Sadie Lowry

On November 16, 2015, the Clerk's Office received e-mail from Sadie Lowry, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: Support of amendment to the Campbell Zoning Ordinance

From: Liz Gibbons
Sent: Monday, November 16, 2015 11:20 PM
To: Wendy Wood
Subject: Fwd: Support of amendment to the Campbell Zoning Ordinance

Sent from my iPad

Begin forwarded message:

From: Sadie Lowry
Date: November 16, 2015 at 9:34:41 PM PST
To: "jeffe@cityofcampbell.com" <jeffc@cityofcampbell.com>, "jasonb@cityofcampbell.com" <jasonb@cityofcampbell.com>, "michaelk@cityofcampbell.com" <michaelk@cityofcampbell.com>, "lizg@cityofcampbell.com" <lizg@cityofcampbell.com>, "paulr@cityofcampbell.com" <paulr@cityofcampbell.com>
Subject: Support of amendment to the Campbell Zoning Ordinance

Dear Mayor Cristina and Council members:

I am a Campbell resident and live at 346B N. Central Avenue. I have lived in Campbell for 9 years. I am writing in support of an amendment to the Campbell Zoning Ordinance that would create regulations for payday lenders and check cashing establishments.

Storefront payday lenders offer small loans with exorbitant interest rates and prey on low-income individuals. Payday loan borrowers are typically not in a position where they can pay the loan back-- In 2007, approximately 60 percent of payday borrowers in California earned less than \$50,000 a year and were more likely to be people of color, single women, young, and non-homeowners. The typical California payday borrower takes out 10 loans a year, ultimately paying \$450 for a \$300 loan. That's a significant amount of money for someone who may be living paycheck to paycheck.

The proposed Zoning Ordinance Amendment sends the message that predatory payday lenders are not welcome in Campbell. As the staff report notes, Campbell has the highest payday lender and check casher per capita ratio in Santa Clara County—

there is one payday lender or check casher for every 7,531 Campbell residents. In neighboring San Jose, the ratio is one per 25,603 residents. I support the staff recommendation and also recommend that the City Council require that payday lenders also post information about alternatives to payday loans, as the city of Sunnyvale has done in their payday lending ordinance.

I urge you to support the Zoning Ordinance Amendment for a thriving Campbell. It is a very strong zoning ordinance amendment that protects the interests of Campbell residents.

Thank you,

Sadie Lowry

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 17, 2015

From: Wendy Wood, City Clerk 

Via: Mark Linder, City Manager 

Subject: Desk Item 16 – E-mail from Liana Molina

On November 16, 2015, the Clerk's Office received e-mail from Liana Molina, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: Support Letter re: Payday Loan and Check Cashing Ordinance
Attachments: Support Letter to Campbell City Council.pdf; ATT1196142.htm

From: Liz Gibbons
Sent: Monday, November 16, 2015 5:29 PM
To: Wendy Wood
Subject: Fwd: Support Letter re: Payday Loan and Check Cashing Ordinance

Sent from my iPad

Begin forwarded message:

From: Liana Molina
Date: November 16, 2015 at 3:22:14 PM PST
To: jeffc@cityofcampbell.com, jasonb@cityofcampbell.com, michaelk@cityofcampbell.com,
lizg@cityofcampbell.com, paulr@cityofcampbell.com, markl@cityofcampbell.org
Subject: **Support Letter re: Payday Loan and Check Cashing Ordinance**

Mayor Cristina and Members of the Council:

Attached please find a letter from the California Reinvestment Coalition (CRC) in support of the proposed ordinance to restrict payday loan and check cashing storefront locations in the City of Campbell. Please feel free to contact me if you have any questions.

Thank you for your time and consideration,
Liana

--

Liana Molina, Organizer
California Reinvestment Coalition (CRC)
474 Valencia Street, Suite 230
San Francisco, CA 94103

Follow us on Twitter: [CalReinvest](#)
Join Our Facebook Page: [California Reinvestment Coalition](#)



CALIFORNIA REINVESTMENT COALITION

SENT VIA E-MAIL

November 16, 2015

Jeffrey Cristina, Mayor
Members of the City Council
City of Campbell
70 N. First Street
Campbell, CA 95008

Dear Mayor Cristina and City Councilmembers:

I'm writing on behalf of the California Reinvestment Coalition (CRC). CRC advocates for the right of low-income communities and communities of color to have fair and equal access to banking and other financial services. We have a membership of over 300 nonprofit organizations and public agencies across the state. CRC has been a leading voice in the struggle against predatory payday lending in local jurisdictions and at the state Capitol. We were instrumental in working with concerned residents, community organizations, council members and city staff in Fresno, San Francisco, Sacramento, San Jose, Long Beach and numerous other cities to enact land use restrictions on the payday loan industry.

We are writing to urge your support for an ordinance to restrict the areas where payday loan and check cashing businesses are allowed to operate in the City of Campbell. CRC supports the recommendations of the Planning Commission to limit these types of businesses to five identified commercial quadrants; to require conditional use permits; to exclude payday lenders and check cashers from low-income census tracts; and to require a distance of at least 500 feet between any payday lender/check casher and a liquor store. We also favor limiting the total number of payday loan stores in the City to three.

The City of Campbell should take action to limit the number of local payday loan locations because:

1. In a 2007 payday loan study by the state Department of Corporations, researchers found that 24% of borrowers found out about their payday lender because they "saw a payday location and went in." We know that payday loan consumers utilize this product because of its easy accessibility. When payday lenders and other high cost financial services providers are located in or close to low and moderate-income neighborhoods, residents often use those services because they're "convenient," even if it's to their financial detriment. By restricting the proliferation of such asset-stripping entities, the City makes it more difficult for payday lenders to prey upon economically vulnerable consumers.

2. In 2012 national study by Pew Charitable Trusts, "Payday Lending in America," researchers found 73% of payday loan consumers exclusively use storefront payday lenders.

This study also found that in states with laws that restrict storefront payday lending, 95 out of 100 would-be borrowers elect not to use payday loans at all, and just 5 borrow online or elsewhere. In California, the state legislature has failed to enact any real consumer protections and restrictions on high cost payday lending. This creates an imperative for cities to use all authority available to restrict this harmful financial practice and make it less convenient for consumers to access these loans and more difficult for lenders to inundate consumers with this product in their neighborhoods.

3. A 2009 study by the Center for Responsible Lending found that payday lenders are eight times as concentrated in neighborhoods with the largest shares of African Americans and Latinos as compared to white neighborhoods. Even after controlling for income and other important factors, payday lenders are 2.4 times more concentrated in African American and Latino communities. This data suggests that the industry targets ethnic minority communities. Cities must set restrictions to ensure that certain neighborhoods are not being disproportionately and unfairly burdened by this industry.

Unfortunately, the City Council cannot take any action to address the usurious 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for borrowers. However, you can take steps to limit the easy accessibility of this product, especially to individuals who can least afford the loans. Since there's enough evidence to suggest that these businesses target low and moderate-income neighborhoods and communities of color, it makes sense for local policy makers to implement safeguards to prevent the establishment and over-proliferation of these businesses.

Furthermore, we encourage the City to weigh in via a formal letter and or resolution addressing the federal Consumer Financial Protection Bureau (CFPB), which is currently in the process of establishing rules and regulations for payday, car title and high-cost installment loans. The CFPB is expected to issue their proposed rule for public comment in early 2016, at which time the City may express its support for strong industry reforms and consumer protections.

We commend the City of Campbell for your leadership in addressing this issue.

Thank you for your time and consideration,



Liana Molina, Organizer
California Reinvestment Coalition

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 16, 2015

From: Wendy Wood, City Clerk *W*

Via: Mark Linder, City Manager *ML*

Subject: Desk Item 16 – E-mail from Patricia Maginniss

On November 16, 2015, the Clerk's Office received e-mail from Patricia Maginniss, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: Support Letter

From: Liz Gibbons
Sent: Monday, November 16, 2015 3:05 PM
To: Wendy Wood; Mark Linder
Subject: Fwd: Support Letter

Begin forwarded message:

From: Patricia Maginniss
Date: November 16, 2015 at 2:26:06 PM PST
To: "lizg@cityofcampbell.com" <lizg@cityofcampbell.com>
Cc: "Erica K. Wood"
Subject: Support Letter

Dear City Councilmember Gibbons,

I am sending this letter of support on behalf of our Chief Community Impact Officer, Erica Wood, at Silicon Valley Community Foundation. This letter pertains to item 16 on tomorrow's City Council agenda regarding consideration of the zoning ordinance amendment for payday lenders and check cashing establishments. If you have any questions or would like to discuss our support further, please do not hesitate to contact Erica Wood at 650.450.5536.

Regards,
Pat

Patricia Maginniss
Executive Assistant to Chief Community Impact Officer



November 16, 2015

The Honorable Jeffrey Cristina and
Members of the City Council
City of Campbell
70 N. First Street
Campbell, California 95008

Re: Item 16 - Amending Zoning Ordinance to Regulate Payday Lenders and Check Cashers

Dear Mayor Cristina and Councilmembers:

On behalf of Silicon Valley Community Foundation (SVCF) I want to commend you for considering this critically important issue and respectfully **urge your support for amending the city's Zoning Ordinance to regulate payday lenders and check-cashers operating in Campbell, and further urge consideration of a requirement for payday loan stores to display information about alternatives to payday lending.** These efforts will ensure consumers are able to make informed choices about whether or not to take out a payday loan.

Silicon Valley Community Foundation was formed in 2007 and since that time has been engaged in efforts to curb predatory lending, including issuing a report in 2009 about the abuses committed by the payday loan industry and promoting responsible alternatives for low-income borrowers.

As you know, payday loans are short-term, small-dollar loans typically carrying triple digit interest rates. The California Department of Business Oversight (DBO) which regulates payday lenders found that in 2014, the average interest rate on a payday loan was 361 percent and that 89 percent of the state's 1.8 million individual payday customers had incomes below \$50,000. For these families, the cumulative cost of these loans exceeded \$3 billion in 2014 alone, hard-earned money many of these families need to meet the rapidly rising costs of living, particularly here in Silicon Valley.

Given that Campbell has one of the highest ratios of payday lenders and check cashers per capita in Santa Clara County with one payday lender or check casher for every 7,531 Campbell residents, SVCF believes adopting this zoning amendment will protect Campbell residents, while boosting the city's economic growth and economic security of its residents for years to come.

If you would like to discuss our support further, please do not hesitate to contact me at 650.450.5536. It would be a pleasure to speak with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Erica Wood". The signature is written in a cursive, flowing style.

Erica Wood
Chief Community Impact Officer

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 17, 2015

From: Wendy Wood, City Clerk. *WW*

Via: Mark Linder, City Manager. *ML*

Subject: Desk Item 16 – E-mail from Sophia Garcia

On November 17, 2015, the Clerk's Office received e-mail from Sophia Garcia, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: CalCFA Comment Letter - Agenda Item #16
Attachments: CalCFA Campbell City Council Meeting_11-17-15.pdf; Overdraft Fees Continue to Weigh on Bank Customers - Wall Street Journal.pdf; Research Highlights-Foster-Zoning and Consumer Welfare.pdf; Sacramento Bee - Claudia Buck - Payday loans thwart regulators.pdf; CalCFA -- Statement re DBO Action 022415.pdf; CDDTL - Payday_Loan_Trifold_PDF-FINAL-(Rev.08-13).pdf; Spanish Payday Loan Trifold_2nd ed_web.pdf; Payday Loans in CA CalCFA July 2014.pdf

Importance: High

From: Garcia, Sophia
Sent: Tuesday, November 17, 2015 2:35 PM
To: Jeffrey Cristina; Jason Baker; Michael Kotowski; Liz Gibbons; Paul Resnikoff
Cc: Andrea Sanders; Wendy Wood; Campbell City Managers Office; Naz Pouya; akis@cityofcampbell.com; William Seligmann; Fooman, Natasha
Subject: RE: CalCFA Comment Letter - Agenda Item #16
Importance: High

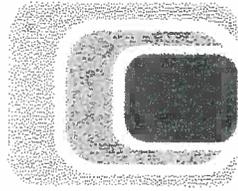
Good afternoon Mayor Christina and Councilmembers,

Attached, please find a comment letter and attachments from the California Consumer Finance Association that we would like on the record for tonight's City Council meeting regarding Agenda Item #16 pertaining to the zoning text amendment to amend the Campbell Zoning Code to create regulations for payday lenders.

Please let me know if you should have any questions.

Thank you,

Sophia A. Garcia
State Director, Government Affairs
Advance America



CALIFORNIA
CONSUMER
FINANCE
ASSOCIATION

November 17, 2015

Honorable Jeffrey Christina
City of Campbell
City Hall
70 N. First Street
Campbell, CA 95008

Dear Mayor Christina and City Councilmembers:

This letter is in response to the staff report dated November 17, 2015 to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Ordinance to create regulations for payday lenders.

The members of the California Consumer Finance Association (CalCFA) are committed to providing access to a range of affordable, state-regulated, small dollar credit options so consumers and small businesses can choose legitimate products and services that suit their specific financial needs. CalCFA member companies have always worked with legislators and local government officials to create laws and regulations that allow regulated credit options that serve the needs of California residents.

However, we are deeply concerned the proposed ordinance before you will do just the opposite: it will restrict consumer access to the regulated short-term credit options they need and potentially force them to turn to less desirable and often dangerous sources, including those found on the Internet.

According to the staff report, we strongly oppose the following:

- 1) Forced closure of existing businesses and loss of jobs
- 2) Commercial Quadrants: There shall be no more than three payday lenders and/or check cashing establishments within the city

Consumers are best served when they have a variety of legitimate, competing financial options from which to choose the best solution for their needs. The proposed ordinance will limit business competition in the local financial marketplace and limit consumer choice and access to credit. It will negatively impact both consumers and businesses.

A payday loan is just one option consumers have for short-term credit. To qualify, a consumer must have a bank account and a steady source of income. Often, a payday loan is the most economical dollar-for-dollar option compared to the higher costs of bouncing a check, paying overdraft

protection fees, or incurring late payment penalties. Consumers need to be able to choose which is best for their individual situation. But, the proposed ordinance would curb access to the payday loan option, even if it is the most cost-effective option. Is that good for Campbell consumers? Please see the attached article, "Overdraft Fees Continue to Weigh on Bank Customers", by Anna Maria Andriotis (*The Wall Street Journal* - May 12, 2015).

And the consumer choice is not always based solely on cost. Some prefer payday loans because of their convenience, ease and extended hours of operation. In fact, according to one study, borrowers' preference for payday loans over similar credit union products is driven "most strongly by credit unions' shorter hours of operation". (*Anti-Payday Lending Zoning Restrictions Can Harm Consumer Welfare, Community Financial Services Association of America.*)

The proposed ordinance will limit options and competition for legitimate, short-term credit, but it will certainly do nothing to curb consumer need and demand. Consumers will continue to seek short-term, small dollar credit. And they will find it. If regulated, legitimate options are limited as proposed in the ordinance, consumers could be forced to use unregulated, unlicensed sources risking much higher costs and unknown collection practices. These lenders, many of them on the Internet, operate beyond the reach of state and federal law. In fact, this challenge has sparked a significant Department of Business Oversight effort to stop illegal, unregulated Internet payday loans. Please see the attached article, "Payday loans thwart regulators", by Claudia Buck published in *The Sacramento Bee* (February 21, 2015) and CalCFA's response, "*CalCFA Applauds DBO Action Against Unlicensed Lenders*" (February 24, 2015).

And what about existing payday lenders, the Campbell customers they serve and the Campbell residents they employ who will likely lose their jobs? Under the proposed ordinance, three of the existing six stores would be forced to close through no fault of their own. We urge the City Council to specifically include 'grandfather' language - as has been done in nearby communities - so existing businesses, their customers and hardworking employees are not harmed by this proposed Zoning Text amendment.

The bottom line is that a range of competitive choices of legitimate short-term credit products, including payday loans, are needed by consumers in the community. Without these "non-traditional", state-regulated financial products in the marketplace, many community members would not be able to access cash when they need it most.

We respectfully request the City Council grandfather existing businesses so Campbell residents continue to have the choice of this legitimate, state-regulated source of short term credit and store employees do not face losing their jobs because existing stores will be forced to shut down.

We appreciate your consideration.

Sincerely,



Natasha Fooman
President
California Consumer Finance Association (CalCFA)

CC: City of Campbell, City Manager
City of Campbell, City Attorney
City of Campbell, Project Planner
City of Campbell, Planning Manager
City of Campbell, City Clerk

Attachments: Wall Street Journal Article
Sacramento Bee Article
CalCFA Statement
CA Department of Business Oversight Payday Loan Trifold
(English & Spanish version)
Payday Loans in the State of California
Consumer Financial Services of America document



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THE WALL STREET JOURNAL

WSJ.com

May 12, 2015, 11:00 AM ET

Overdraft Fees Continue to Weigh on Bank Customers

By AnnaMaria Andriotis



SUSANA VERA/REUTERS

Some checking-account practices have become more consumer-friendly, but significant issues persist with banks' overdraft policies, according to a report released Tuesday.

More banks are providing concise disclosures about their checking-account fees and terms, according to Pew Charitable Trusts, a nonprofit public-policy organization. But many consumers don't fully understand the rules, and banks have policies that can increase the overdraft fees people incur when they make automated-teller-machine withdrawals or debit-card purchases that exceed their account balance, the report says.

A regulatory change five years ago was supposed to curb such charges, Pew notes. (The [Pew report](#) didn't look at overdraft fees charged in transactions that don't involve a debit card, such as when consumers use online bill pay or write a check for an amount that brings their checking account balance in the negative.)

The median fee for overdrawing a checking account is unchanged at \$35, with 29 of the 45 largest U.S. banks charging between \$35 and \$38 an overdraft, according to Pew.

A consumer's fees can be increased by the order in which multiple debits in a single day are subtracted from the account balance. Of 32 big banks that Pew has studied for the last three years, 44% reorder at least some transactions from high to low by dollar amount, rather than processing them in the order they occur.

With this approach, banks subtract the largest withdrawals first, even if they were the last transactions made in a day, which can result in fees for more of the transactions. While still significant, that 44% figure is down from 53% in 2014 and 59% in 2013, according to Pew.

Twenty-five of the banks tracked by Pew over the past three years cap the number of debit-card overdraft fees a consumer can be hit with in a single day. Among those banks, the median cap is five a day, which can leave a consumer with a total of \$175 in overdraft fees for a day based on a \$35 fee.

A separate study last year by the Consumer Financial Protection Bureau found that most debit-card overdraft fees result from transactions that are less than \$25 and most are repaid within three days. The CFPB concluded that the overdraft fees checking-account users pay are the equivalent of a 17,000% annual percentage rate.

Banks' overdraft policies came under fire by regulators and consumer advocates during the economic downturn. Annual overdraft revenue collected by banks and other financial institutions peaked at \$37.1 billion in 2009 and has since been mostly declining, according to Moeb's Services, an economic research firm in Lake Forest, Ill. It totaled \$31.8 billion in 2014. The declines are due to several factors, including consumers avoiding overdrafts and using more affordable banking options, according to Moeb's.

New regulation has also played a role. The Federal Reserve amended Regulation E, a change that went into effect in 2010, to prohibit banks from charging for overdrafts when consumers use their debit card to go shopping or make withdrawals from an ATM—unless consumers opt in for overdraft coverage, which many banks refer to as overdraft protection.

Customers who don't opt in will see their transactions declined and will avoid overdrawing, while those who opt in will have their transaction processed and will incur the overdraft fee.

Still, consumer confusion is widespread around how overdraft fees are incurred. While a growing number of banks are clearly disclosing overdraft options on their website, in their standard disclosure information or list of fees, according to Pew, 52% of consumers who overdrew their checking accounts in 2014 from a debit-card transaction didn't recall signing up for this service.

Some 78% of 32 banks that Pew has studied for the last three years allow checking-account users to overdraw at an ATM and the same share permit overdrawing when they use their debit card to make a purchase—figures that have remained relatively steady since 2013.

The Pew study found several signs of improvement in bank checking-account practices that are leading to more protections for consumers. Fully 78% of the banks Pew studied are offering a summary disclosure box that meets the nonprofit's criteria, up from 59% in 2014 and 25% in 2013, according to

Pew. Similarly, more banks are clearly identifying the costs of overdraft fees.

Consumers who want to take a bank to court over checking-account practices, however, will find fewer options to do that. Sixty-six percent of the 32 banks Pew studied over three years have contract language barring customers from taking part in class-action lawsuits and 94% of the 32 banks studied bar them from taking gripes to jury trials.

The Consumer Bankers Association, a trade group representing large and regional banks, released a statement on the report Tuesday afternoon pointing to Pew's findings that 100% of the banks it tracks that charge an overdraft penalty fee clearly identify that fee. That figure is up from 94% in 2013, according to the Pew report.

"Consumer choice is paramount in our industry, and CBA believes customers should be able to decide how best to meet their short-term funding needs," said Richard Hunt, chief executive officer of the CBA, in the statement. "We will continue to work with Pew and others to ensure consumers are informed when making their individual financial decisions."

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ANTI-PAYDAY LENDING ZONING RESTRICTIONS CAN HARM CONSUMER WELFARE

A law review article which is scheduled to appear in the Ohio State Law Journal by Sheila R. Foster, vice dean for Academic Affairs and the Albert A. Walsh Professor of Real Estate, Land Use and Property Law at Fordham University, "*Breaking Up Payday: Anti-Agglomeration Zoning and Consumer Welfare*," casts considerable doubt on whether zoning is the appropriate regulatory tool to achieve the consumer-protection and welfare goals animating these ordinances. The author finds that economic literature on agglomeration economies¹ suggests that there are costs to consumer welfare from limiting or breaking up clusters of retail stores.

The paper suggests that limiting payday stores through zoning can harm consumer welfare by decreasing market competition among rival lenders. Such competition, "can provide consumers—particularly vulnerable consumers with limited access and options to more traditional financial service providers—more product and pricing options than they might have in the absence of this competition... these zoning restrictions may leave payday lending consumers economically worse off than they were in an unfettered payday location market."

The full report can be found at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2346515

Policy Recommendation: Lawmakers should consider more carefully the effects of anti-payday restrictive zoning ordinances on consumer welfare.

Zoning Restrictions can Harm Consumer Welfare

- "Zoning restrictions which limit or prevent firm agglomeration can increase [consumer] search costs and reduce the incentives for competition between retail firms."
- An examination of California payday lender zoning restrictions suggests that, "great skepticism" should be applied to the "claim that zoning ordinances designed to disrupt or prevent payday lender concentrations shield or protect consumers from payday lenders."

Consumers Forced to Choose Other Products are Not Necessarily Better Off

- "...even where banks exist in neighborhoods heavily populated with traditional banking sources, some populations make the understandable, and even rational, choice to use alternative products over more traditional banking products."
- "Moreover, it is not necessarily the case that traditional banking products contain the most competitive terms for economically vulnerable populations. Even when customers have equal access to traditional banking products, such as overdraft credit protection, the associated fees and interest can be more expensive than payday loans."
- "If consumers are apt to use payday lenders over other alternatives for reasons of access and convenience, then they will continue to do so albeit with fewer choices."

Regulation

- "Evidence of a dynamic relationship between payday lending markets and state financial regulation suggests that anti-agglomeration zoning regulations are likely to be, at best, neutral and, at worst, harmful to consumer welfare."

¹Agglomeration economies are the benefits that come when firms and people locate near one another together in cities and industrial clusters. These benefits all ultimately come from transportation costs savings: the only real difference between a nearby firm and one across the continent is that it is easier to connect with a neighbor.

THE SACRAMENTO BEE

February 22, 2015



Claudia Buck

Personal finance news and advice you can use

Payday loans thwart regulators

Online operators skirt laws on interest charges, late fees

BY CLAUDIA BUCK
02/22/2015 12:00 AM

Borrowing money at an annual interest rate of 2,320 percent? Hard to believe, but that's what state officials say was charged to one California consumer who took out an online payday loan last year.

Charging excessive interest is just one of numerous illegal loan practices perpetrated by unscrupulous online payday lenders, who pop up almost as quickly as state officials try to squash them.

This week, the state Department of Business Oversight announced it had pounced on 18 payday-loan companies in 2014, accusing them of violations that include operating without a license, making loans that exceed the state's legal limit and charging customers "outrageous" fees. All but three were online lenders, who typically operate beyond the state's reach.

"It's an ongoing problem we continue to battle," said DBO spokesman Tom Dresslar. "They're charging outrageous fees. They pop up out of nowhere."

Some online payday lenders operate from as far away as Costa Rica, the West Indies and Malta. Given their elusive online presence, Dresslar said, it's a problem "that's really tough to suppress."

That's why the DBO is urging borrowers to think twice before answering the enticing online ads from unlicensed payday lenders. They lure distressed consumers with catchy names like CashInAWink.com, EZPaydayCash.com, PaydaySOS.com or CashJar.com, and with promises of "instant cash" and easy access: "Bad Credit OK, Apply Now!"

“Payday borrowers are in dire straits. They’re just trying to get over a hump. It’s a significant consumer-protection problem,” Dresslar said.

Online payday loans can be extremely costly and risky. Because the lenders require debit access to your bank account, they can illegally withdraw funds without permission. And some may sell or steal your personal financial information, says the DBO.

The DBO says most consumers are unaware that a payday loan in California cannot exceed \$300 and that fees cannot be more than 15 percent of the principal amount. That means on a \$300 loan, consumers cannot be charged more than \$45 for a loan that’s typically due in two weeks’ time.

Jacquie McCarley, 33, a Bay Area tech recruiter, said she filed numerous complaints after taking out two payday loans from Cloud 9 Marketing LLC, an online company based in Wilmington, Del. The first time, in 2012, she took out “a super-short loan, literally to float me through the weekend” and paid it back in less than a week. According to McCarley and the DBO’s investigation, she was charged \$30 for every \$100, a rate that is double the state’s legal maximum. A few months later, she took out a second payday loan and agreed to extend the payments over two months. She said she was charged numerous late fees, which the law prohibits. Ultimately, McCarley owed more in fees – \$600 – than the actual loan amount of \$200.

“It made me very angry they’re preying upon at-risk people,” McCarley said.

Cloud 9 is one of the online lenders that the DBO ordered last year to stop making loans and repay borrowers. The DBO was unable to serve its order because the company doesn’t have a physical office.

Last August, Dresslar said, the DBO sent letters to eight of the country’s top online search engines, including Google, AOL, Yahoo and Bing, asking them to block from their sites a list of 31 online lenders that are not licensed in California. The response? “Underwhelming,” Dresslar said. Only one – Yahoo – responded, and it deferred any action to its parent company.

The DBO is making the appeal again, Dresslar said. It’s also revising state regulations that govern the payday loan industry.

Last year, the DBO went after 18 payday lenders with varied sanctions. In some cases, it levied fines or ordered companies to repay fees to borrowers. One company, Quick Cashing Inc. based in Los Angeles, was ordered to pay \$30,000 in penalties, void all transactions, return principal and “disgorge” fees back to consumers. A hearing in the case is set for Monday.

As for the loan with the whopping 2,320 percent APR, the DBO said it was issued by Brighton FNL, an unlicensed online lender operating from Salt Lake City. It did not specify how much the borrower actually paid.

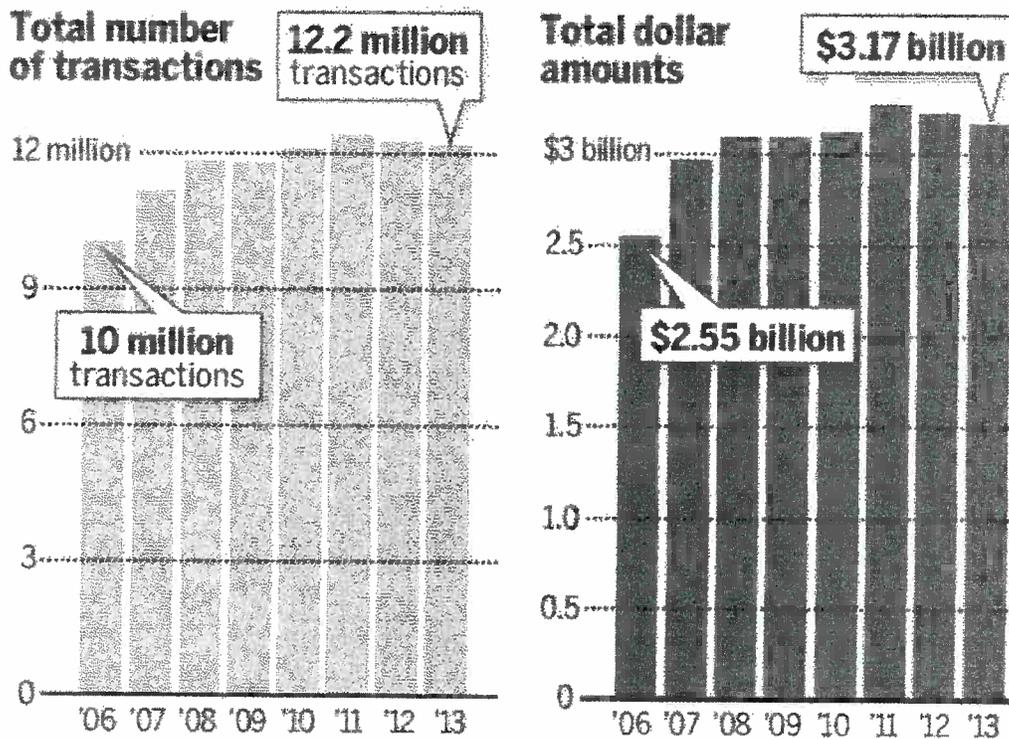
Problem payday lenders – the online variety – have bedeviled state authorities for years. In 2013, DBO spokesman Mark Leyes likened it to “whack-a-mole,” because online companies get shut down, only to change their name and pop back up.

“If it’s a storefront payday lender, you walk in and look someone in the eye,” said Leyes. “But when you go online, you don’t know who you’re dealing with, where they’re located or what their intentions are.”

Call *The Bee’s* Claudia Buck at (916) 321-1968 or read her *Personal Finance* columns at sacbee.com/claudia-buck.

PAYDAY LOANS

The number of payday loans issued by licensed lenders in California has increased 21 percent since 2006.



Source: California Department of Business Oversight

The Sacramento Bee

PAYDAY LOANS AT A GLANCE

What they are:

Short-term, small-amount, high-cost loans that use a paycheck as collateral. They're also called cash-advance loans, post-dated check loans or deferred-deposit loans.

How they work:

With a walk-in payday lender, you take out a loan for \$300 and hand over a post-dated check. (With an online payday loan, a borrower provides debit access to his or her bank account instead of a paper check.) Typically, full repayment is due in two weeks – or from your next paycheck.

The fees:

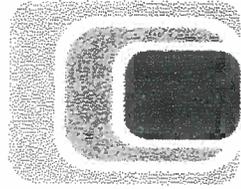
In California, the loan fee is \$15 per \$100. For a \$300 loan – the maximum allowed – you receive \$255 in cash (\$300 minus \$45 in fees). On an annual basis, the APR on a \$300 two-week loan in California is 459 percent.

Typical borrower:

The average California payday-loan borrower takes out six to seven loans in one year.

How regulated:

In California, the state Department of Business Oversight licenses payday lenders. There is no federal licensing of payday lenders. To check if a lender is licensed, go to: dbo.ca.gov or call (866) 275-2677. (Use the same number to report an unlicensed lender or file a complaint.)



CALIFORNIA
CONSUMER
FINANCE
ASSOCIATION

CalCFA Applauds DBO Action Against Unlicensed Lenders

Consumers Need Legitimate Small Dollar Credit Option in Marketplace

(February 24, 2015) The members of the California Consumer Finance Association (CalCFA) support the efforts of the California Department of Business Oversight (DBO) and Commissioner Jan Lynn Owen to crack down on payday loan companies that operate without licenses outside the reach of state regulators and subject consumers to exorbitant rates and financial risk.

Sacramento Bee Personal Finance Reporter Claudia Buck accurately documents the magnitude of the challenge faced by the DBO in the attached article.

For several years now, the member companies of CalCFA have been warning about the steady growth of unlicensed, unregulated and illegal financial services, especially on the Internet. Many of them are based overseas or outside of California, where consumers have little or no recourse if they are treated improperly.

CalCFA member companies offer a range of financial services, including payday loans, under state regulations that limit fees, require clear posted guidelines, and tightly restrict collection practices and access to consumer accounts. These regulations work.

To better understand the unregulated credit problem Ms. Buck documents, look at the financial marketplace today. Demand for credit continues to grow, but consumer credit laws in California have not kept up. Programs lawmakers have established for amounts larger than \$300 have failed simply because they set unrealistic terms that could not work for consumers or lenders or both.

The result has been more consumers turning to unlicensed lenders on the Internet with no protections. Ms. Buck details some of the painful results.

We applaud the DBO for its tireless work in fighting this problem. At the same time, we urge lawmakers to create a legitimate program for small dollar credit, with rates and terms that can truly work in the marketplace for both consumers and lenders.

California's consumers will surely continue to need and obtain credit. If the state does not finally create a practical, legitimate program with terms that can succeed, many of those consumers may have little option but the risky situations Ms. Buck describes.

###

About CalCFA: The California Consumer Finance Association (CalCFA) is committed to providing consumers access to a variety of choices for legitimate, regulated short-term consumer loans and financial services. CalCFA members include some of the leading providers of short-term credit and financial services in California and across the country. (www.calcfa.com)

Contact: Greg Larsen
greg@larsencazanis.com
916.491.4094

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: November 17, 2015

From: Wendy Wood, City Clerk *WJ*

Via: Mark Linder, City Manager

Subject: Desk Item 16 – E-mail from Eva Terrazas

On November 17, 2015, the Clerk's Office received e-mail from Eva Terrazas, as part of the public record in regards to Item 16.

Attached is the email for your consideration.

Wendy Wood

Subject: FW: Letter of Support - PayDay Lending Zoning Ordinance
Attachments: PayDay Lenders_Campbell.pdf; ATT1207681.htm

From: Liz Gibbons
Sent: Tuesday, November 17, 2015 12:29 PM
To: Wendy Wood
Subject: Fwd: Letter of Support - PayDay Lending Zoning Ordinance

Sent from my iPad

Begin forwarded message:

From: "Eva M. Terrazas"
Date: November 17, 2015 at 12:24:31 PM PST
To: "'jeffc@cityofcampbell.com" <jeffc@cityofcampbell.com>, "'jasonb@cityofcampbell.com" <jasonb@cityofcampbell.com>, "'michaelk@cityofcampbell.com" <michaelk@cityofcampbell.com>, "'lizg@cityofcampbell.com" <lizg@cityofcampbell.com>, "'paulr@cityofcampbell.com" <paulr@cityofcampbell.com>
Cc: "'markl@cityofcampbell.com" <markl@cityofcampbell.com>, "Kyra Kazantzis (KyraK@lawfoundation.org)" <KyraK@lawfoundation.org>, "Melissa Morris (melissam@lawfoundation.org)" <melissam@lawfoundation.org>, Darrell Evora <devora@emqff.org>, Maria Azevedo <mazevedo@emqff.org>
Subject: Letter of Support - PayDay Lending Zoning Ordinance

Good afternoon Mayor and Members of the City Council-

Please accept the attached letter of support for the PayDay Lending Zoning Ordinance being considered at tonight's City Council meeting. Regrettably, I will not be available to speak on behalf of the issue, but we are sending this letter of support from our CEO on behalf of EMQ FamiliesFirst located at 251 Llewellyn Ave., Campbell, CA 95008.

Please feel free to contact me if you have any questions or would like additional information.

Best regards,

*Eva M. Terrazas
Director of Public Policy and Government Affairs
EMQ FamiliesFirst
Campbell, CA 95008*

This email may contain confidential and privileged material for the sole use of the intended recipient(s). Any review, use, distribution or disclosure by others is strictly prohibited. If you are not the intended recipient (or authorized to receive for the recipient), please contact the sender by reply email and delete all copies of this message. Any confidentiality or privilege is not waived or lost if this e-mail has been sent to you by mistake.



EMQ FamiliesFirst

November 17, 2015

Campbell City Council
Campbell City Hall
70 N. 1st Street
Campbell, CA 95008

Dear Mayor Cristina and Councilmembers:

On behalf of EMQ FamiliesFirst, I am writing in support of an amendment to the Campbell Zoning Ordinance that would create regulations for payday lenders and check cashing establishments.

As you know, EMQ FamiliesFirst (headquartered here in Campbell) is one of the largest children's behavioral health and foster care agency in the state with services in five geographical areas: Bay Area, Capital, Fresno, Los Angeles, and San Bernardino/Inland Empire. Many of the families we serve are low wage earners, single women, limited English speaking and on MediCal, which are the primary target of payday lenders and check cashing establishments.

Storefront payday lenders offer small loans with exorbitant interest rates and prey on low-income individuals. Payday loan borrowers are typically not in a position where they can pay the loan back. In 2007, approximately 60 percent of payday borrowers in California earned less than \$50,000 a year and were more likely to be people of color, single women, young, and non-homeowners. The typical California payday borrower takes out 10 loans a year, ultimately paying \$450 for a \$300 loan. That's a significant amount of money for someone who may be living paycheck to paycheck.

The proposed Zoning Ordinance Amendment sends the message that predatory payday lenders are not welcome in Campbell. As the staff report notes, Campbell has the highest payday lender and check casher per capita ratio in Santa Clara County—there is one payday lender or check casher for every 7,531 Campbell residents. In neighboring San Jose, the ratio is one per 25,603 residents.

As CEO of an agency committed to the best possible behavioral health and life outcomes for the children and families we see, I support the staff recommendation and also recommend that the City Council require that payday lenders post information about alternatives to payday loans, as the City of Sunnyvale has done in their payday lending ordinance.

I urge you to support the Zoning Ordinance Amendment for a thriving Campbell community. It is a very strong zoning ordinance amendment that protects the interests of Campbell residents.

Sincerely,

Darrell Evora, MCP, MBA

Cc: Mark Linda, City Manager

Campbell Proposed Payday Lender Zoning Ordinance

Request To Postpone and Hear Facts from the Other Side

By

Bruce Weiner for Thomas Leonard, CFSP Executive Director

November 17, 2015

Executive Summary

- I am Bruce Weiner and I represent Thomas Leonard, Executive Director of CA Financial Service Providers Association, who is unable to join us this evening.
- Tom did reach Mayor Cristina and has sent email to all of you requesting a CONTINUANCE of this matter until January 2016. Here's why:
 1. Continuance allows stakeholders time to meet personally with the Mayor, Council Members, and appropriate staff, who to this point have met only with the other side, Consumer Advocacy Groups, so we can educate you and give you true facts from our side and from consumers.
 2. **No need to rush to judgement: No Campbell resident has asked for this ordinance, NO NEW CAMPBELL PAYDAY LOAN STORE HAVE OPENED IN 11 YEARS & 20% DECREASE IN SITES STATEWIDE.**
 3. Pending Federal regulations from the CFPB and new State Regulations from California's DBO, the payday loan regulator.
 4. Council members, please call Tom before passing this ordinance. In ten minutes he'll inform you about the impacts of this ordinance on business owners, employees, and your own citizens, who have depended on access to credit in convenient Campbell locations for over 25 years.
 5. Our industry and the Association have a strong track record of working with cities to craft fair, pro small business zoning ordinances. **So, we ask for the same opportunity in Campbell that consumer advocacy groups have had. Respectfully, we ask Mayor Cristina or any other Council Member to make a motion to CONTINUE this matter to the January meeting.**

Unfair Process and Ordinance

1. **The proposed ordinance shows Campbell to be anti-small business** because it KEEPS THE ONE NATIONAL PAYDAY LOAN CHAIN STORE IN CAMPBELL, WHICH IS LOCATED IN A LOW INCOME AREA!
2. **THE PUT YOU OUT OF BUSINESS language in the Campbell ordinance is the most destructive we have seen in the State of CA.**
3. The Planning Department based their recommendations on VERY OUTDATED INFORMATION FROM CONSUMER GROUPS AND WITHOUT VISITING THE AFFECTED BUSINESSES.
4. **Campbell citizens use payday loans because in many circumstances they are the least expensive and the lowest impact financial alternative available to all.**
5. **Industry and business owners are open to full discussions on fair language that is prudent, forward thinking, and supportive of financial alternatives for Campbell's citizens.** For example, full GRANDFATHERING IN current business owners who have invested hundreds of thousands over many, many years.

Motion: Upon motion of Commissioner Rich, seconded by Commissioner Kendall, the Planning Commission adopted Resolution No. 4257 approving a Modification (PLN2015-243) to a previously approved Conditional Use Permit (PLN2011-316) with Site and Architectural Review to allow the construction of an 1,740 square-foot building to expand an existing commercial daycare center, located at 70 S. San Tomas Aquino Road, subject to the revised conditions of approval, by the following roll call vote:

AYES: Bonhagen, Dodd, Finch, Kendall, Reynolds, Rich and Young

NOES: None

ABSENT: None

ABSTAIN: None

Chair Finch advised that this action is final unless appealed in writing to the City Clerk within 10 calendar days.

Chair Finch read Agenda Item No. 5 into the record as follows:

5. **PLN2015-294** Public hearing to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Code to create regulations for payday lenders and check cashing establishments. Staff is recommending that this project be deemed exempt from CEQA under Section 15061.b.3. Tentative City Council Meeting Date: November 17, 2015. *Project Planner: Naz Pouya, Planner*

Ms. Naz Pouya, Staff Planner, presented the staff report.

Chair Finch asked if there were questions of staff.

Commissioner Rich asked staff to show the slide depicting the five quadrants. There are five proposed quadrants and six existing check cashing businesses.

Planner Naz Pouya clarified that there are five stand-alone check cashing businesses and one liquor store that offers check cashing services.

City Attorney William Seligmann advised that per this draft amendment to the Zoning Code, a total of five could continue.

Commissioner Rich asked how it is determined which business gets which quadrant.

City Attorney William Seligmann said that it doesn't even have to be one of these existing but operators. It could be someone new. It's whoever applies first.

Commissioner Bonhagen asked if the five quadrants overlay with existing check cashing locations.

Planner Naz Pouya said that two are currently in C-1 (Neighborhood Commercial) Zoning.

Director Paul Kermoyan said that one payday lending location would be allowed in each quadrant.

Planner Naz Pouya said except for Zone C (Bascom).

Director Paul Kermoyan:

- Said that existing payday lending establishments would need to amortize out within two years. The ordinance is structured to offer opportunities spread throughout the community.
- Explained that C-2 (General Commercial) Zoning has a higher concentration of commercial uses.

Commissioner Bonhagen asked why this process was started.

City Attorney William Seligmann replied that it is a high level Council priority.

Commissioner Rich pointed out that some communities, such as Menlo Park, do not allow these at all.

Chair Finch asked staff why check cashing businesses are out of bounds in low-income areas.

Director Paul Kermoyan:

- Explained that this Ordinance is intended to create zoning standards that help identify where things should occur. There are assumptions made as to how many of some businesses are needed in the community. For example there is a limit on the number of storage facilities allowed in the City of Campbell. The established standard is one storage facility per every 8,000 in population. There is a limit on pawn shops. That limit is one citywide.
- Stated that the Ordinance establishes that while payday lending/cash checking businesses should be allowed, they should also strategically be spaced out throughout the City.

Commissioner Rich said that he supports that thought. These types of "loans" have a negative impact low income people.

Chair Finch opened the Public Hearing for Agenda Item No. 5.

Paul Soter, Attorney, San Francisco:

- Said that he is here representing a Campbell based Check Cashing business owner, Check to Cash. This business owner makes his living and employs two.

- Reported that his client was told by the City that he would have to close his business within two years. He considers that a “taking”.
- Opined that there are inaccuracies in the report and offered to point them out if time permits.
- Said that a Variance process is very strict and it is customary to “grandfather” existing businesses when Ordinance changes occur.
- Advised that his client has a lease for his location through 2018 with a five-year renewal option thereafter.

Commissioner Rich sought verification that the lease is effective until 2018.

Paul Soter replied yes.

Kyra Kazantzis, Law Foundation of Silicon Valley:

- Said that she has been working in Santa Clara County since 2008.
- Said that they are asking cities to adopt ordinances overseeing payday lending including a rate cap at 36 percent.
- Advised that more than 40 agencies are concerned about payday lending. Studies show how harmful they are on low income families. They tend to be short term loans (two weeks) for a high fee that equals a 400 percent APR (annual percentage rate). These loans are designed to fail. Seventy five (75) percent of the persons taking such payday loans need seven a year. While there is a high payback rate, borrowers fail more than 50 percent of the time.
- Explained that when the interest rate was capped in South Carolina at 36 percent, these payday lending businesses left that state saying it was not a viable emergency solution.
- Advised that the US Military has established a maximum cap of 36 percent.
- Said that Campbell's is an unusual Ordinance. Campbell has a very high rate of such payday loans establishments per capita with one per 10,000 in population.
- Suggested capping the number of businesses lower than proposed.
- Suggested requiring a brochure be available and distributed at check cashing establishments that provides information on alternatives.
- Reported that payday loans are easy and often secured at the spur of the moment.
- Agreed that it is effective to not have these payday loan businesses within low income neighborhoods. Having some space between these businesses and the low income population offers the space to find alternatives.

Commissioner Reynolds asked Ms. Kazantzis if these payday loans are known to be sought for illegitimate purposes.

Kyra Kazantzis replied that these loans are sought for the same reasons that people use money. The need for these loans demonstrates the chronic income disparity and shortages that many live under.

Commissioner Reynolds asked Ms. Kazantzis whether the shutdown of payday loan establishments in South Carolina resulted in some percentage of customers ending up with loan shark type lenders.

Kyra Kazantzis replied that most found another way ranging from family, other means and/or waiting a bit longer.

Commissioner Rich said that in South Carolina the established interest rate cap made these types of business go away. Menlo Park banned them. Are these methods legally defensible?

Kyra Kazantzis reported that Los Altos banned future use. Santa Clara County grandfathered existing and banned future payday lending businesses. Some capped the percentage allowed.

David Figa, Resident of Los Gatos:

- Said that he is with Working Partnerships, USA.
- Said that these payday lenders are predators who offer small loans with a high interest rate. They are detrimental to communities of color, single women and non-homeowners. They go after people who are needy and put them into a cycle that equates to perpetuating poverty.
- Stated that the best solution is to have payday lenders give information out on options to this revolving door of debt.
- Advised that he supports these proposed zoning restrictions and reiterated that a cap on the maximum interest rate allowed for such loans helps.

Paul Soter, Attorney:

- Said that the typical duration of a payday loan is actually 31 days.
- Added that the military received a 35 percent pay increase which helped reduce the need for payday loans by military personnel.
- Agreed that a payday loan is a band aide. However, they are already regulated by both State and Federal government.
- Stated that those states without payday lending ended up with worse options.
- Pointed out that the need for payday loans is a response to life's events.
- Suggested that fairness be shown to the existing businesses.

Chair Finch closed the Public Hearing for Agenda Item No. 5.

Commissioner Bonhagen:

- Said that he likes the staff report and proposal.
- Suggested perhaps grandfathering the existing businesses or perhaps allowing them to remain longer.
- Stated that he agrees with everything else in the report.

Commissioner Rich said that he agrees that two years is too short a time.

Director Paul Kermoyan said that two years is the original recommendation. While there is no Variance process there is an Extension process if the required findings can be made.

Commissioner Rich:

- Suggested raising it to four years as two years is too short.
- Supported the provision of a brochure on alternatives to payday loans. Information is powerful. Distribution of said brochure should be mandatory at these establishments.
- Complimented the staff report as complete and comprehensive.

Commissioner Kendall:

- Said that she feels stricter and would propose banning all future establishments and grandfathering existing uses for five years.
- Pointed out that there are already 35 such payday/check cashing establishments nearby in San Jose.

Commissioner Young:

- Pointed out that the people who utilize these types of loans are usually in survival mentality.
- Added that these lenders prey on that desperation.
- Stated that if these types of businesses go away something else will fill that void.
- Said that he has a couple of recommendations.
 - Page 11 of 13, Item D. He proposes to limit signage in windows to a maximum of 10 percent coverage.
 - Page 8 – Alternatives. Recommended the distribution of a City-approved informational flyer/brochure that offers financial literacy training.

Director Paul Kermoyan said that code enforcement is done through education and a brochure is one form of providing information to the public.

City Attorney William Seligmann clarified that this Ordinance reflects land use regulations and not business regulation. The State has lending regulations in place.

Commissioner Dodd:

- Questioned the need to give the existing businesses five years. If not now, then when?
- Stated that two years is enough. These uses are often just a desk in a room.
- Pointed out that five such payday/check cashing establishments is a lot. Three is more appropriate for a city that is the size of Campbell.
- Added that this is a business of opportunity. Most people could benefit from some reflection time.
- Reiterated that two years is enough.
- Concluded that she likes the idea of a window signage limitation.

Commissioner Reynolds:

- Said that he has given this issue a lot of thought.
- Admitted that he doesn't like the term "predatory" lender. This is a service/business industry. It's a convenience business.
- Pointed out that we all have choices.
- Opined that an outright ban would have a negative impact.

- Added that he is okay with adjusting locations and the number of businesses allowed but not with an outright ban of such uses. He agrees with the zones (quadrants) recommended by staff and a ratio of one such business per every 15,000 in population.

Commissioner Dodd said that existing businesses could relocate nearby in San Jose.

Commissioner Bonhagen:

- Said that there are likely some non-profits with existing brochures that are applicable and effective that they would be willing to allow us to distribute in Campbell.
- Advised that he is in favor with the staff recommendations on this.
- Pointed out that even San Jose has a maximum number allowed at 39.
- Said he could support one Extension per existing location.

Director Paul Kermoyan advised that the draft Ordinance currently has no cap on the number of extensions.

Commissioner Rich said he could support a two-year extension if the business can show a lease agreement is in place to that point.

Director Paul Kermoyan referenced the findings on page 12 of 13.

Chair Finch supported limited such uses to one per 15,000 in population and stated that one cannot legislate choices.

Commissioner Reynolds said that although the Commission will be forwarding a recommendation on to Council regarding this ordinance, he would propose also forwarding a recommendation to Council to suggest the City take action to support setting (capping) interest rate limits for these types of businesses.

Director Paul Kermoyan said that if the League of California Cities wants to take action they will ask cities to participate.

Chair Finch agreed and said that would be more of a political issue than a land use issue.

Motion: Upon motion of Commissioner Bonhagen, seconded by Commissioner Kendall, the Planning Commission adopted Resolution 4258 recommending that the City Council approve a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Code to create regulations for payday lenders and check cashing establishments, with the added limitations of three such businesses in the City and limited window signage to 10% of window area, by the following roll call vote:

AYES: Bonhagen, Dodd, Finch, Kendall, Reynolds, Rich and Young

NOES: None
ABSENT: None
ABSTAIN: None

Chair Finch advised that this item would be considered for final action by the City Council at its meeting of November 17, 2015.

REPORT OF THE COMMUNITY DEVELOPMENT DIRECTOR

Director Paul Kermoyan had no additions to his written report.

ADJOURNMENT

The Planning Commission meeting adjourned at 11:56 p.m. to the next Regular Planning Commission Meeting of **November 10, 2015**.

SUBMITTED BY:

Corinne Shinn, Recording Secretary

APPROVED BY:

Pamela Finch Chair

ATTEST:

Paul Kermoyan, Secretary

Item No. 5



CITY OF CAMPBELL · PLANNING COMMISSION
Staff Report · October 27, 2015

PLN2015-294
City-initiated
Text Amendment

Public hearing to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Ordinance to create regulations for payday lenders and check cashing establishments.

STAFF RECOMMENDATION

That the Planning Commission take the following action:

1. **Adopt a Resolution**, incorporating the attached findings (reference **Attachment 1**), recommending that the City Council adopt an ordinance amending the following to the Campbell Zoning Code: Chapter 21.10 (Commercial and Industrial Districts); Chapter 21.12 (Special Purpose Districts); Section 21.72.020 (Definitions); and Chapter 21.36 (Provisions Applying to Special Uses) of the Zoning Ordinance to create regulations for payday lenders and check cashing establishments.

ENVIRONMENTAL DETERMINATION

Modifications to the Zoning Code are considered a project under the California Environmental Quality Act (CEQA) however staff's analysis of the Initial Study checklist has led to the conclusion that adopting the proposed ordinance is exempt from CEQA under Section 15061.b.3 because it has no potential for resulting in a physical change to the environment.

BACKGROUND

During the January 26, 2015 Council Priority Setting Workshop, a payday lending ordinance was identified as an issue for consideration. At this meeting the Law Foundation of Silicon Valley made a presentation on payday lending; in addition, representatives from community groups spoke against payday loans and requested the City Council consider zoning regulations. The City Council subsequently directed Staff to prepare an ordinance to regulate payday lending establishments.

Payday loans, also called deferred deposit transactions or cash advances, are small, fourteen-day loans for which a borrower provides a postdated check for the loan amount plus the lender's fees. The borrower then receives immediate cash and the check is cashed on the borrower's next payday unless the borrower repays the loan. Under the California Deferred Deposit Transaction (Payday Loan) Law, the maximum loan amount is \$300, the maximum fee is 15% of the loan amount, and the maximum term is 31 days. The fee works out to an interest rate of 460% APR, compared to credit cards which range from 12% to 30%.

Payday lending began in the 1990s as an extension of check cashing businesses, which cash checks for a fee or percentage of the check amount. Customers have access to the funds immediately, avoiding the waiting period from depositing a check into a bank account. Considered alternative financial services (along with pawnbrokers and rent-to-own stores), payday lending and check cashing services are often provided together by one business.

According to Silicon Valley Community Foundation's *Report on the Status of Payday Lending in California* (October 2009) payday lenders operate almost exclusively in low-income neighborhoods and promote a cycle of borrowing that compromises the financial health of disadvantaged communities. Payday loans can provide emergency funds when other options like a credit card are not available because they are easy to obtain with identification, a checking account, and proof of income. However, the high fees and short repayment periods often cause borrowers to repeatedly take out a new loan in order to repay the previous loan and associated fees, pushing them further into debt.

In a 1997 study by the Santa Clara Police Department, check cashing establishments were associated with increased criminal activity resulting in extra calls for service. The Campbell Police Department confirmed that over the years there have been robberies committed at the City's existing check cashing and payday lending businesses, though not within the last two years. They also verified these businesses experience increased burglar alarm activations and theft-related incidents compared to other types of businesses. The supply of cash on the premises makes payday lending and check cashing establishments, as well as their customers, a target for crime.

While check cashing and payday lending establishments provide a service supported by consumer demand, the social and safety concerns associated with these businesses have led several Bay Area cities to introduce zoning regulations, summarized in Table-1 below.

Table-1 Local Regulations on Payday Lending and Check Cashing Establishments

Jurisdiction	Payday Lending Regulations	Check Cashing Regulations	Number of Existing Businesses	Estimated Population	Ratio of Existing Businesses to Residents
East Palo Alto	Zoning and distancing requirements, operational standards	Zoning and distancing requirements, operational standards	1	29,143	1 per 29,143
Gilroy	Establishment, expansion, and relocation prohibited	Establishment, expansion, and relocation prohibited	6	51,701	1 per 8,617
Los Altos	Ban	Ban	n/a	n/a	n/a
Campbell	None	Zoning requirements, Use Permit	6	45,187	1 per 7,531

Table-1, continued

Jurisdiction	Payday Lending Regulations	Check Cashing Regulations	Number of Existing Businesses	Estimated Population	Ratio of Existing Businesses to Residents
Menlo Park	Ban (declared a public nuisance)	None	n/a	n/a	n/a
Morgan Hill	Establishment, expansion, and relocation prohibited	Establishment, expansion, and relocation prohibited	2	40,836	1 per 20,418
Oakland	Use Permit, Distancing requirements, operational standards	Use Permit, Distancing requirements, operational standards	5	406,253	1 per 81,506
San Jose	Maximum of 39, prohibited within very low income census tracts, distancing requirements	None	39	998,537	1 per 25,603
Santa Clara-City	None	Use Permit, Distancing requirements	3	120,245	1 per 40,082
Santa Clara-County	Ban	Ban	n/a	n/a	n/a
Sunnyvale	Maximum of 6, zoning and distancing requirements, operational standards	None	8	147,559	1 per 18,449
Redwood City	Use Permit, zoning requirements	Use Permit, zoning requirements	2	80,872	1 per 40,436
Campbell	None	Zoning requirements, Use Permit	6	45,187	1 per 7,531

The current Zoning Code does not define or regulate payday lending, but check cashing is a defined use separate from “banks and financial institutions” and restricted to C-2 (General Commercial) zoning districts with a conditional use permit. Six check cashing businesses currently operate in Campbell, although none possess a Conditional Use Permit and all are considered nonconforming. BMT Money Market was annexed in 2013 and the other existing

businesses were established prior to the 2004 Zoning Code update that added check cashing as a defined and conditional use. Freddie's Liquors began offering check cashing services prior to 2004 as well. See Table-2 below and the attached Map of Existing Payday Lending and Check Cashing Establishments, Attachment 3.

Table-2, Payday Lending and Check Cashing Establishments in Campbell

Name	Address	Zoning	Services	Year Established	Use Permit	Notes
BMT Money Market	831 Union Ave	C-1	Check cashing, cash for gold/gift cards	n/a, annexed in 2013	No	Less than 500 feet from existing liquor store
Check 2 Cash	152 N. San Tomas Aquino Rd #A	C-1	Check cashing, payday loans, cash for gold	2004	No	Less than 500 feet from existing liquor store
Check 'N Go	1575 S. Winchester Blvd #D	C-2	Check cashing, payday loans	1997	No	Adjacent to existing liquor store and located within low income census tract
Checks to Cash	2345 S. Winchester Blvd #B	P-D	Check cashing, payday loans	1988	No	Adjacent to existing liquor store
Provident Payday Loans	1645 S. Bascom Ave #B	P-D	Check cashing, payday loans	2004	No	-
Freddie's Liquors and Check Cashing	1581 W. Campbell Ave	C-1	Check cashing	2000	CUP-offsite liquor sales only	Located within an existing liquor store

DISCUSSION

The draft text amendment (see Draft City Council Ordinance, Attachment 2) to the City's Zoning Code includes revisions to certain land use definitions, revisions to prohibited and conditional uses in each zoning district, and new regulations on the establishment and operation of payday lending and check cashing establishments. The staff approach is to allow these use types, subject to the approval of a Conditional Use Permit under certain conditions and within certain areas of the City so as to avoid and/or minimize public health, safety, and welfare concerns.

Land Use Definitions: The text amendment includes new and revised definitions in Chapter 21.72 (Definitions) to differentiate between traditional and alternative financial institutions.

- **Banks and financial services:** The text amendment would add the following language to the current definition for clarification: "'Banks and financial services' does not include 'Check cashing' or 'Payday lending.'"
- **Check cashing:** The text amendment would revise the current check cashing definition for consistency with the state's definition, which would be defined as a retail business owned or operated by a 'check cashier' as that term is defined in California Civil Code section 1789.31 as amended from time to time.
- **Payday lender:** As payday lending is not currently defined in the Zoning Code, the text amendment would add a definition consistent with the state's definition. Payday lender would be defined as a retail business owned or operated by a 'licensee' as that term is defined in California Financial Code section 23001(d), as amended from time to time.

Restrictions on Check Cashing and Payday Lending Establishments: The text amendment would add Section 21.36.260 (Check Cashing and Payday Lending Establishments) to Chapter 21.36 (Provisions Applying to Special Uses) and would introduce the following regulations:

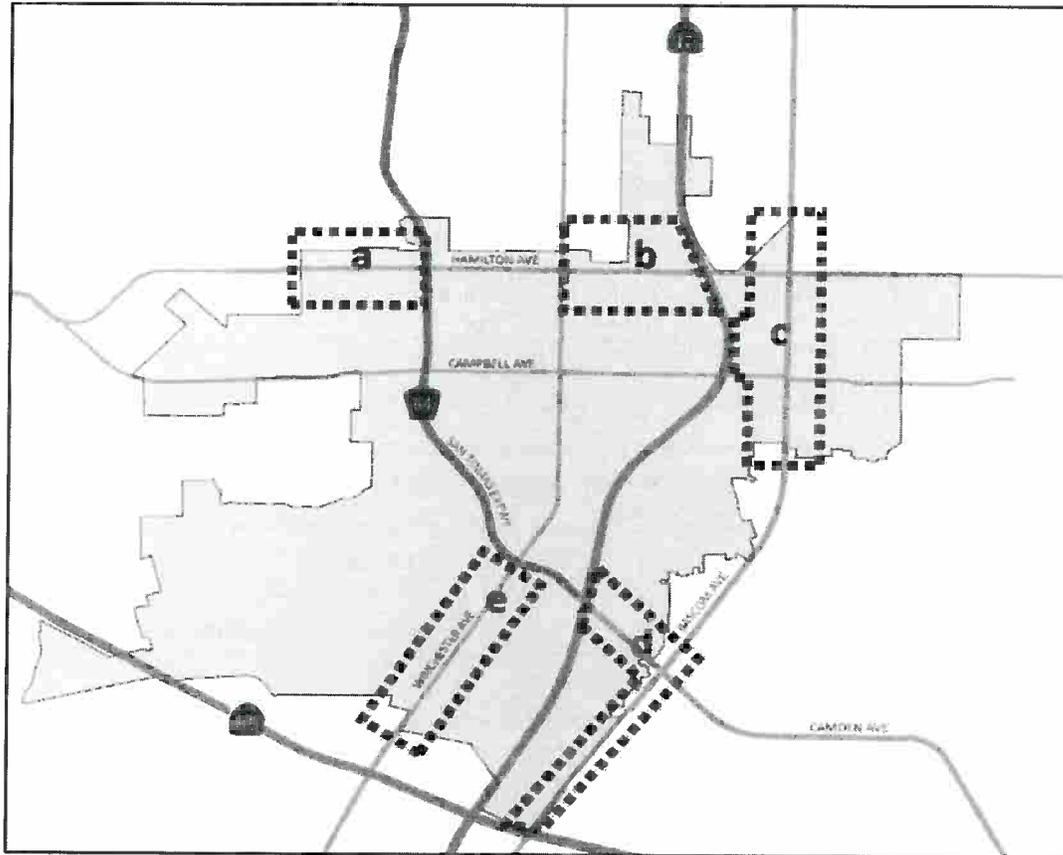
- **Locational Requirements:**
 - Conditional Use Permit in C-2: Payday lenders and check cashing establishments would be conditionally permitted in C-2 (General Commercial) zoning districts. This land use arrangement would be equivalent to Section 21.10.050 (C-2/General Commercial) which lists check cashing as a conditional use. No other zoning districts would permit these use types. The Conditional Use Permit process would allow staff to verify that a proposed business satisfies locational and operational requirements.
 - Low Income Census Tract: Payday lenders and check cashing establishments would be prohibited within a low income census tract, as with payday lenders in San Jose, which would prevent the targeting of vulnerable communities and would encourage traditional financial institutions offering a wider range of services. The area between San Tomas Expressway and South Winchester Boulevard, from the intersection of San Tomas Expressway and South Winchester Boulevard, north to the City limits is recognized by HUD as a predominantly low income neighborhood, factoring in a 5% reduction, given the City as a whole is considered a high income community. The text amendment would prohibit check cashing and payday lending businesses from this area.
 - Liquor Stores: The current code requires a separation of 500 feet between liquor stores. The purpose of separation requirements is to prevent the proliferation of particular uses in order to preserve neighborhood character and public safety, welfare, and health. The proposed text amendment would also require a separation of 500 feet between new check cashing/payday lending establishments and liquor

stores in order to minimize the potential for adverse effects associated with a concentration of certain uses.

- Commercial Quadrants: One payday lender and/or check cashing business may be permitted in each of the following five commercial quadrants if the required findings are satisfied (see Figure-1 below):
 - West Hamilton Avenue, west of San Tomas Expressway;
 - East Hamilton Avenue, east of South Winchester Boulevard;
 - South Bascom Avenue, north of Dry Creek Road;
 - Camden Avenue and South Bascom Avenue, south of Camden Avenue;
 - South Winchester Boulevard, south of Sunnyoaks Avenue

While Campbell has a comparably high ratio of these businesses as indicated by Table-1, this provision maintains the existing number of check cashing and payday lending businesses but equally dispersed throughout the City. The text amendment would more purposefully site these businesses to serve multiple neighborhoods without clustering in certain areas or undermining the quality of surrounding neighborhoods.

Figure-1, Commercial Quadrants



- **Operational Requirements:**
 - Hours of Operation: The text amendment would require the hours of operation for payday lending and check cashing businesses to be between 7 a.m. and 7 p.m. as in Sunnyvale and East Palo Alto.
 - Security Bars: The text amendment would prohibit the placement of security bars on doors or windows, which are found to negatively impact the aesthetics of storefronts and buildings, as well as the surrounding neighborhood.
- **Amortization of Nonconforming Businesses**: This section of the text amendment would allow the existing nonconforming businesses to continue operating for a period of two years from the effective date of the ordinance unless an extension of time is approved. In comparison, two years was also the period of time recommended by staff for nonconforming establishments when the City Council considered the ordinance regulating sexually-oriented businesses in 2008.
- **Extension of Time for Termination of Nonconforming Use**: Similar to sexually-oriented businesses that became nonconforming with the adoption of the current ordinance, the text amendment provides a process for nonconforming check cashing and payday lending businesses to apply for an extension of time. The extension may be approved if the planning commission can make the following findings:
 - The applicant has made a substantial investment (including but not limited to lease obligations) in the property or structure on or in which the nonconforming use is conducted; such property or structure cannot be readily converted to another use; and such investment was made prior to the effective date of this section.
 - The applicant will be unable to recoup said investment as of the date established for termination of the use; and
 - The applicant has made good faith efforts to recoup the investment and relocate the use to a location in conformance with the locational requirements.

ANALYSIS

In accordance with Campbell Municipal Code Section 21.60.070, amendments to the Municipal Code may only be approved if the decision-making body finds that: (1) the proposed amendment is consistent with the goals, policies, and actions of the General Plan; (2) the proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the city; and (3) the proposed amendment is internally consistent with other applicable provisions of the Zoning Code. Staff believes that these findings are applicable, as discussed below:

1. The proposed amendment is consistent with the goals, policies, and actions of the General Plan.

The Campbell General Plan represents the City's long term vision for the community and is intended to guide decision-making regarding the City's physical and economic growth. In this regard, the General Plan provides policies applicable to land use and development and

organizes the City into a framework of distinct land use designations (i.e., commercial, residential, industrial, etc.). The Zoning Ordinance serves to implement General Plan Strategies and Policies and define how property in specific geographic zones can be used. The proposed text amendment would serve to designate locations and create operational standards for payday lenders and check cashing establishments within the City in order to minimize public health, safety, and welfare concerns. The proposed amendment would be consistent with the following General Plan policies and strategies:

- Policy LUT-5.3: Variety of Commercial and Office Uses: Maintain a variety of attractive and convenient commercial and office uses that provide needed goods, services and entertainment.
- Strategy LUT-5.3d: Commercial Centers: Review the design, use and upgrading of commercial centers via the discretionary permit process, and ensure that conditions of approval are adopted that require businesses to be well kept and operated in a way that limit impacts to adjacent uses.
- Policy LUT-5.8: Non-Conforming Uses: Encourage non-conforming properties to redevelop as conforming uses.
- Strategy LUT-5.8a: Methods to Encourage Redevelopment of Non-conforming Uses: Study methods to encourage non-conforming properties to redevelop as conforming uses, including the possibility of an amortization program.
- Strategy LUT-9.1b: Land Use Review: Review the types of land uses allowed in the City's zoning districts and revise, where appropriate, to assure greater compatibility.
- Policy LUT-13.1: Variety of Uses: Attract and maintain a variety of uses that create an economic balance within the City while maintaining a balance with other community land use needs, such as housing and open space, and while providing high quality services to the community.

2. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.

The proposed text amendment would allow payday lending and check cashing establishments to establish within certain areas in the City subject to approval of a Conditional Use Permit with certain operational conditions. The separation and locational requirements serve to prevent the proliferation or concentration of particular uses in order to preserve neighborhood character and public safety, welfare, and health. The proposed Conditional Use Permit process and operational standards further protect surrounding neighborhoods from negative impacts. Therefore the text amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City.

3. The proposed amendment is internally consistent with other applicable provisions of this Zoning Code.

The substantive changes of the proposed text amendment are primarily contained in Chapter 21.36 (Provisions Applying to Special Uses) with the addition of Section 21.36.260 (Check Cashing and Payday Lending Establishments), as well as Article 6 (Definitions). Due to the

interconnected nature of the Zoning Code, these changes require revisions to several additional chapters as described below. With these additional revisions, the proposed text amendment would be internally consistent with the other provisions of the Zoning Code:

- Chapter 21.10 (Commercial and Industrial Districts): The text amendment would add check cashing and payday lending to the list of prohibited uses in each of the following commercial and industrial zoning districts:
 - P-O (Professional Office)
 - C-1 (Neighborhood Commercial)
 - C-3 (Central Business District)
 - C-M (Controlled Manufacturing)
 - M-1 (Light Industrial)
- Chapter 21.12 (Special Purpose Districts): The text amendment would add check cashing and payday lending to the list of prohibited uses in each of the following special purpose zoning districts:
 - C-PD (Condominium Planned Development)
 - P-D (Planned Development)
 - P-F (Public Facilities)
 - P-F/OS (Public Facilities/Open Space)
- Chapter 21.36.110 (Liquor Stores): The text amendment would revise this section to require a separation of 500 feet between liquor stores and check cashing/payday lending establishments, to be consistent with the separation requirement in Section 21.36.260 (Check Cashing and Payday Lending Establishments).

NOTIFICATION

Notice of this public hearing for the proposed Zoning Code Text Amendment was published in the local newspaper as required by City Code. Additionally a written notice was mailed to each property owner and business owner of the existing check cashing and payday lending establishments.

Attachments:

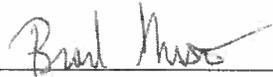
1. Findings for Approval of File No. PLN2015-294
2. Draft City Council Ordinance (text amendment)
3. Map of Existing Payday Lending and Check Cashing Businesses

Prepared by:



Naz Pouya, Project Planner

Approved by:



Brad Misner, Planning Manager

FINDINGS FOR APPROVAL OF FILE NO. PLN2015 -294

APPLICANT: City of Campbell
P.C. MEETING: October 27, 2015

Findings for approval of City-initiated Text Amendment (PLN2015-294) to amend the following sections of the Campbell Zoning Code: Chapter 21.10 (Commercial and Industrial Districts); Chapter 21.12 (Special Purpose Districts); and Section 21.72.020 (Definitions) and Chapter 21.36 (Provisions Applying to Special Uses) of the Zoning Ordinance to create regulations for payday lenders and check cashing establishments.

The Planning Commission finds as follows with regard to File No. PLN2015- 294

Environmental Findings

1. The proposed Text Amendment project is exempt from the California Environmental Quality Act under Section 15061.b.3 because it has no potential for resulting in a physical change to the environment.
2. The project consists of a Text Amendment amending the following to the Campbell Zoning Code: Chapter 21.10 (Commercial and Industrial Districts); Chapter 21.12 (Special Purpose Districts); and Section 21.72.020 (Definitions), and Chapter 21.36 (Provisions Applying to Special Uses) of the Zoning Ordinance to create regulations for payday lenders and check cashing establishments.
3. No substantial evidence has been presented from which a reasonable argument could be made that shows that the project will have a significant adverse impact on the environment.

Evidentiary Finding

1. The legislature of the State of California has, in Government Code Sections 65302, 65560 and 65800, conferred upon local government units the authority to adopt regulations designed to promote the public health, safety and general welfare of its citizenry.
2. Review and adoption of this Text Amendment is done in compliance with California Government Code Sections 65853 through 65857, which require a duly noticed public hearing of the Planning Commission whereby the Planning Commission shall provide its written recommendation to the City Council for its consideration.
3. The City of Campbell recognizes the importance of promoting the public health, safety and general welfare, and providing adequate locations for the establishment of various uses that serve the community.

Based on the foregoing findings of fact, the Planning Commission further finds and concludes that:

1. The proposed amendment is consistent with the goals, policies, and actions of the General Plan;

2. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City; and
3. The proposed amendment is internally consistent with other applicable provisions of the Zoning Code.



October 27, 2015

Campbell Planning Commission
 Campbell City Hall
 70 N. 1st Street
 Campbell, CA 95008

RE: PLN 2015-294: Zoning Text Amendment to amend the Campbell Zoning Ordinance to Create Regulations for Payday Lenders and Check Cashing Establishments

Dear Chairperson Finch and Planning Commissioners:

On behalf of United Way Silicon Valley, I am writing to urge the Commission to support the staff recommendation to adopt a resolution recommending that the City Council adopt an ordinance amending the Campbell Zoning Ordinance create regulations for payday lenders and check cashing establishments.

United Way Silicon Valley is focused on helping families with children become economically secure, able to support their children's educational success, physically and emotionally healthy, and connected to their community. We believe everyone deserves the opportunity to build a good life: enough income to support a family through retirement, a quality education that leads to a stable job, and the chance to stay healthy.

Storefront payday lenders offer small loans with interest rates upward of 460 percent. Storefront payday lending outlets are overwhelmingly concentrated in low-income areas. Individuals who borrow from payday lenders can least afford payday loan fees-- In 2007, approximately 60 percent of payday borrowers in California earned less than \$50,000 a year and were more likely to be people of color, single women, young, and non-homeowners. The typical California payday borrower takes out 10 loans a year, ultimately paying \$450 for a \$300 loan.

The proposed zoning ordinance amendment sends the message that predatory payday lenders are not welcome in Campbell. As the staff report notes, Campbell has the highest payday lender per capita ratio in Santa Clara County—there is one payday lender for every 7,531 Campbell residents. In neighboring San Jose, the ratio is one per 25,603 residents. The proposed zoning ordinance amendment includes language that excludes check cashing or payday lenders from the definition of "banks and financial services," clearly defines payday lender and sets robust location and operational requirements for check cashing and payday lending businesses. It is a very strong zoning ordinance amendment that protects the interests of Campbell residents.

We are proud to partner with a host of organizations throughout Santa Clara County working in concert with one another to help families achieve self sufficiency. United Way Silicon Valley provides financial education classes, helps people open bank accounts and raise their credit score. Together, these efforts help families get closer to financial stability and into the financial mainstream. Entering the financial mainstream enables individuals and families to begin saving, build a credit history and gain access to lower-cost credit sources. It also decreases the chances of them having to turn to payday lenders for a loan, and ultimately makes it more possible for them to invest in their future.

We hope that you will join us in protecting working families against the destructive cycle of payday lending.

Sincerely,

A handwritten signature in black ink that reads "Wendy L. Ho".

Wendy L. Ho
 Advocacy & Public Policy Program Manager

MEMORANDUM



City of Campbell

Community Development Department

To: Chair Finch and Planning Commission

Date: October 27, 2015

From: Naz Pouya, Project Planner

Subject: Desk Item – Item 5 ~ Zoning Text Amendment

The City received an email from Sophia A. Garcia, State Director, Government Affairs with Advance America. (reference **Attachment 1**). The email requests that the comment letter from the California Consumer Finance Association be added to the record (reference **Attachment 2**) as well as 7 additional attachments with information on payday lending (**Attachments 3-8**).

Attachments

1. Email from Sophia A. Garcia
2. Comment Letter from CalCFA
- 3-8. Information on payday lending

Naz Pouya

From: Garcia, Sophia <sagarcia@advanceamerica.net>
Sent: Tuesday, October 27, 2015 3:00 PM
To: Andrea Snyder; Wendy Wood
Cc: Campbell City Managers Office; Naz Pouya; akis@cityofcampbell.com; William Seligmann; Fooman, Natasha
Subject: RE: CalCFA Comment Letter - Agenda Item #5
Attachments: CalCFA Campbell Planning Commission Comment Letter 10-27-15.pdf; Overdraft Fees Continue to Weigh on Bank Customers - Wall Street Journal.pdf; Research Highlights-Foster-Zoning and Consumer Welfare.pdf; Sacramento Bee - Claudia Buck - Payday loans thwart regulators.pdf; CalCFA -- Statement re DBO Action 022415.pdf; CDDTL - Payday_Loan_Trifold_PDF-FINAL-(Rev.08-13).pdf; Spanish Payday Loan Trifold_2nd ed_web.pdf; Payday Loans in CA CalCFA July 2014.pdf

Importance: High

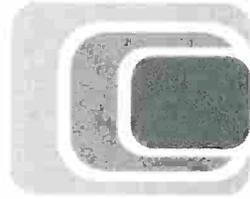
Good afternoon Andrea,

Attached, please find a comment letter and attachments from the California Consumer Finance Association that we would like on the record for tonight's Planning Commission meeting regarding Agenda Item #5 pertaining to the zoning text amendment to amend the Campbell Zoning Code to create regulations for payday lenders.

Please let me know if you should have any questions.

Kind regards,

Sophia A. Garcia
State Director, Government Affairs
Advance America
916-601-5854



CALIFORNIA
CONSUMER
FINANCE
ASSOCIATION

October 27, 2015

City of Campbell
City Hall
70 N. First Street
Campbell, CA 95008

Dear Planning Commissioners:

This letter is in response to the staff report dated October 27, 2015 to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Code to create regulations for payday lenders.

The members of the California Consumer Finance Association (CalCFA) are committed to providing access to a range of affordable, state-regulated, small dollar credit options so consumers and small businesses can choose legitimate products and services that suit their specific financial needs. CalCFA member companies have always worked with legislators and local government officials to create laws and regulations that allow regulated credit options that serve the needs of California residents.

However, we are deeply concerned the proposed text amendment before you will do just the opposite: it will restrict consumer access to the regulated short-term credit options they need and potentially force them to turn to less desirable and often dangerous sources, including those found on the Internet.

According to the staff report, we have the following concern:

- 1) Amortization of Nonconforming Businesses
- 2) Commercial Quadrants: One payday lender and/or check cashing business may be permitted in each of the following five commercial quadrants if the required findings are satisfied

Consumers are best served when they have a variety of legitimate, competing financial options from which to choose the best solution for their needs. The proposed text amendment will limit consumer choice and access to credit, as well as, business competition in the local financial marketplace. It will negatively impact both consumers and businesses.

For example, a payday loan is just one option consumers have for short-term credit. A consumer must have a bank account and a steady source of income to qualify. Often, a payday loan is the most economical dollar-for-dollar option when in comparison to the higher costs of bouncing a check, paying overdraft protection fees, or incurring late payment penalties. But, the proposed text amendment would curb access to this often cost-effective option. Is that good for Campbell consumers? Please see the attached article, "Overdraft Fees Continue to Weigh on Bank Customers", by Anna Maria Andriotis (*The Wall Street Journal* - May 12, 2015).

And the consumer choice is not always based solely on cost. Some prefer payday loans because of their convenience, ease and extended hours of operation. In fact, according to one study, borrowers' preference for payday loans over similar credit union products is driven "most strongly by credit unions' shorter hours of operation". (*Anti-Payday Lending Zoning Restrictions Can Harm Consumer Welfare, Community Financial Services Association of America.*)

And while the proposed text amendment will limit options and competition for legitimate, short-term credit, it will certainly do nothing to curb consumer need and demand. Consumers will continue to seek short-term, small dollar credit. And they will find it. But, if regulated, legitimate options are limited, where will they turn to?

If they can't find regulated options within their city or nearby, they will be forced to use unregulated, unlicensed sources risking much higher costs and unknown collection practices. These lenders, many of them on the Internet, operate beyond the reach of state and federal law. In fact, this challenge has sparked a significant Department of Business Oversight effort to stop illegal, unregulated Internet payday loans. Please see the attached article, "Payday loans thwart regulators", by Claudia Buck published in *The Sacramento Bee* (February 21, 2015) and CalCFA's response, "*CalCFA Applauds DBO Action Against Unlicensed Lenders*" (February 24, 2015).

And what about existing payday lenders and the Campbell customers they serve? Under the proposed text amendment, would they also be subject to the new criteria? This issue is not addressed. We urge the Planning Commission to specifically include 'grandfather' language so existing businesses and their customers are not be harmed by this proposed text amendment. A currently operating business should also be entitled to an appropriate exemption in situations including, but not be limited to, relocation due to natural disaster, fire, loss of lease through no fault of the business, or exercise of a governmental entity's power of eminent domain.

The bottom line is that a range of competitive choices of legitimate short-term credit products, including payday loans, are needed in our community. Without these "non-traditional", state-regulated financial products in the marketplace, many community members would not be able to access cash when they need it most.

Therefore, we respectfully request the opportunity to work with you to help you understand who are customers are, why they use our businesses and to discuss how we as an industry can address your concerns without damaging existing businesses and depriving Campbell residents of a legitimate and state-regulated source of credit.

We appreciate your consideration of our concerns regarding the issues discussed in this letter and look forward to the opportunity to work together.

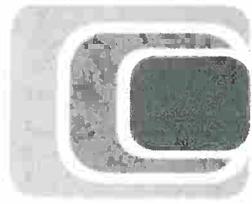
Sincerely,



Natasha Fooman
President
California Consumer Finance Association (CalCFA)

CC: City of Campbell, City Manager
City of Campbell, City Attorney
City of Campbell, Project Planner
City of Campbell, Planning Manager
City of Campbell, City Clerk

Attachments: Wall Street Journal Article
Sacramento Bee Article
CalCFA Statement
CA Department of Business Oversight Payday Loan Trifold
(English & Spanish version)
Payday Loans in the State of California
Consumer Financial Services of America document



CALIFORNIA
CONSUMER
FINANCE
ASSOCIATION

CalCFA Applauds DBO Action Against Unlicensed Lenders

Consumers Need Legitimate Small Dollar Credit Option in Marketplace

(February 24, 2015) The members of the California Consumer Finance Association (CalCFA) support the efforts of the California Department of Business Oversight (DBO) and Commissioner Jan Lynn Owen to crack down on payday loan companies that operate without licenses outside the reach of state regulators and subject consumers to exorbitant rates and financial risk.

Sacramento Bee Personal Finance Reporter Claudia Buck accurately documents the magnitude of the challenge faced by the DBO in the attached article.

For several years now, the member companies of CalCFA have been warning about the steady growth of unlicensed, unregulated and illegal financial services, especially on the Internet. Many of them are based overseas or outside of California, where consumers have little or no recourse if they are treated improperly.

CalCFA member companies offer a range of financial services, including payday loans, under state regulations that limit fees, require clear posted guidelines, and tightly restrict collection practices and access to consumer accounts. These regulations work.

To better understand the unregulated credit problem Ms. Buck documents, look at the financial marketplace today. Demand for credit continues to grow, but consumer credit laws in California have not kept up. Programs lawmakers have established for amounts larger than \$300 have failed simply because they set unrealistic terms that could not work for consumers or lenders or both.

The result has been more consumers turning to unlicensed lenders on the Internet with no protections. Ms. Buck details some of the painful results.

We applaud the DBO for its tireless work in fighting this problem. At the same time, we urge lawmakers to create a legitimate program for small dollar credit, with rates and terms that can truly work in the marketplace for both consumers and lenders.

California's consumers will surely continue to need and obtain credit. If the state does not finally create a practical, legitimate program with terms that can succeed, many of those consumers may have little option but the risky situations Ms. Buck describes.

###

About CalCFA: The California Consumer Finance Association (CalCFA) is committed to providing consumers access to a variety of choices for legitimate, regulated short-term consumer loans and financial services. CalCFA members include some of the leading providers of short-term credit and financial services in California and across the country. (www.calcfa.com)

Contact: Greg Larsen
greg@larsencazanis.com
916.491.4094

Common Sense Financial Tips

Avoid Future Money Problems:

- Create a budget (list all sources of income and all monthly expenses, including total owed).
- Prioritize your debts (pay most expensive interest rates first); cut all unnecessary expenses.
- Build up a rainy day fund by setting aside a small amount per paycheck in a savings account. Get into the habit of making regular deposits.
- Contact a local consumer credit counseling service for help developing a monthly budget or a debt repayment plan with creditors.

Online Payday Loans: CAUTION!

The Department strongly urges consumers to verify a lender is licensed before sharing personal information. You can verify licensure by checking www.dbo.ca.gov or calling 1-866-275-2677.

- Unlicensed lenders may illegally collect from your bank account directly without your permission, even if you are unable to repay the loan.
- You might be illegally charged an interest rate far higher than California law allows.
- Unlicensed Internet payday lenders might sell or pirate personal financial information.
- Lenders may be operating out-of-state or offshore, making it hard to track them down and recover your lost funds if they violate the law.

If you wish to file a formal complaint against an unlicensed lender, visit www.dbo.ca.gov and submit a Consumer Complaint Form with the Department of Business Oversight.

TOLL-FREE 1-866-275-2677

CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

DEPARTMENT OF BUSINESS OVERSIGHT

State of California
Business, Consumer Services and Housing Agency

What You Need to Know About Payday Loans



Contact the California Department of Business Oversight to check the licensing status of a payday lender, history of disciplinary actions against a payday lender or to file a complaint against a payday lender.

For additional copies of this publication, please e-mail your request to forms@dbo.ca.gov

CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

Toll-Free 1-866-275-2677
TTY 1-800-735-2922

www.dbo.ca.gov

DEPARTMENT OF
BUSINESS OVERSIGHT

State of California
Business, Consumer Services and Housing Agency

CDDTL 001 (REV 7/13)

What is a Payday Loan?

Payday loans are also called "cash advances" or "deferred deposits." With a payday loan, a borrower writes a check to a lender in exchange for a short-term cash loan. For example, a borrower writes a \$300 check, pays the \$45 fee, and receives \$255 in cash. The lender does not cash the check until the borrower's next payday, up to 31 days.

Fees for Payday Loans:

Under California law, the maximum loan amount a consumer can borrow in a payday loan is \$300. The maximum fee a payday lender can charge is 15% of the face amount of the check (up to a maximum of \$45). Additional fee restrictions apply for military servicemembers and their dependents.

A 15% fee is equivalent to an annual percentage rate (APR) of 460% for a two-week loan. By comparison, a loan for a new car generally has an APR of between four and seven percent.

APR is the total annual interest rate that a borrower pays on a loan, including all fees and charges. APR is used to reveal the total cost of borrowing money.

If You Take Out a Payday Loan:

Borrow only as much as you can afford to pay back in full on your next payday. On the loan due date, some borrowers find they cannot afford to pay back the loan. Borrowers are encouraged **not** to take out a second loan from another payday lender to repay the first, as this can lead to a cycle of debt from which it will be expensive and difficult to recover.

Loans to Military Members and their Dependents:

Because of recent changes in federal and California law that restrict payday loan fees for military servicemembers and their dependents, some payday lenders may choose not to make loans to servicemembers and their dependents.

California Laws Protect You:

- In California, all payday lenders - whether a storefront or online - must be licensed by the Department of Business Oversight if they are going to do business in the state. Visit the Department's website to verify a lender's license.
- A payday lender may only make you **one** loan (which cannot exceed \$300), and may only charge a **maximum fee** of 15% of the total amount of the check (up to \$45). Additional fee restrictions apply for military servicemembers.
- Payday lenders must post their California license and a fee schedule at every location.
- A payday lender **cannot** make you a new loan to pay off an existing loan.
- A payday lender **cannot** make you a new loan while an existing loan is outstanding, even if the combined balance of the existing loan and the new loan does not exceed \$300.
- If your check bounces, the payday lender may charge only **one** bounced check fee (up to \$15). (Be aware - your bank may charge you additional fees for insufficient funds.)
- Additional fees **cannot** be charged if you request an extension of time or payment plan. However, the payday lender is not legally required to grant your request.
- By law, the contract for a payday loan **must** be provided to you in the language you primarily used to negotiate with the lender.
- A payday lender **cannot** threaten to prosecute you in criminal court for insufficient funds.
- You may also have other legal protection under California law. If you need help or suspect violations of the law, please contact the Department of Business Oversight.

If You Have Credit Problems:

Call your creditors and ask to waive late fees, reduce the interest rate, and/or work with you to establish a re-payment schedule that will work for you.

If you have missed bill payments or have other credit troubles, you may benefit from the services of a financial counselor. Counselors help review your entire financial situation and help you develop a personalized money management plan. Be aware — just because a debt management agency claims to be "non-profit" doesn't guarantee the services are legitimate or affordable.

A reputable agency should send you free information without requiring you to provide any personal details. Look for a range of services, including budget counseling and savings and debt management classes. Avoid any that push a debt management plan as your only option before they analyze your financial situation.

Visit the **National Foundation for Credit Counseling (NFCC)** website www.nfcc.org or call Toll-Free **1-800-388-2227** for assistance with credit problems and creditors.

If You Are Facing Bankruptcy:

Recent Federal law requires mandatory credit counseling before you can declare bankruptcy. Go to: <http://www.consumer.ftc.gov/articles/0224-filing-bankruptcy-what-know> for help and information about Credit Counseling.

The U.S. Department of Justice Trustee Program approves organizations to provide mandatory counseling *before* you can declare bankruptcy and mandatory debtor education *after* you declare bankruptcy.

Go to: <http://www.justice.gov/ust/eo/bapcpa/ccde/> to find an approved organization near you.



THE WALL STREET JOURNAL
WSJ.com

May 12, 2015, 11:00 AM ET

Overdraft Fees Continue to Weigh on Bank Customers

By Anna Maria Andriotis



SUSANA VERA/REUTERS

Some checking-account practices have become more consumer-friendly, but significant issues persist with banks' overdraft policies, according to a report released Tuesday.

More banks are providing concise disclosures about their checking-account fees and terms, according to Pew Charitable Trusts, a nonprofit public-policy organization. But many consumers don't fully understand the rules, and banks have policies that can increase the overdraft fees people incur when they make automated-teller-machine withdrawals or debit-card purchases that exceed their account balance, the report says.

A regulatory change five years ago was supposed to curb such charges, Pew notes. (The [Pew report](#) didn't look at overdraft fees charged in transactions that don't involve a debit card, such as when consumers use online bill pay or write a check for an amount that brings their checking account balance in the negative.)

The median fee for overdrawing a checking account is unchanged at \$35, with 29 of the 45 largest U.S. banks charging between \$35 and \$38 an overdraft, according to Pew.

A consumer's fees can be increased by the order in which multiple debits in a single day are subtracted from the account balance. Of 32 big banks that Pew has studied for the last three years, 44% reorder at least some transactions from high to low by dollar amount, rather than processing them in the order they occur.

With this approach, banks subtract the largest withdrawals first, even if they were the last transactions made in a day, which can result in fees for more of the transactions. While still significant, that 44% figure is down from 53% in 2014 and 59% in 2013, according to Pew.

Twenty-five of the banks tracked by Pew over the past three years cap the number of debit-card overdraft fees a consumer can be hit with in a single day. Among those banks, the median cap is five a day, which can leave a consumer with a total of \$175 in overdraft fees for a day based on a \$35 fee.

A separate study last year by the Consumer Financial Protection Bureau found that most debit-card overdraft fees result from transactions that are less than \$25 and most are repaid within three days. The CFPB concluded that the overdraft fees checking-account users pay are the equivalent of a 17,000% annual percentage rate.

Banks' overdraft policies came under fire by regulators and consumer advocates during the economic downturn. Annual overdraft revenue collected by banks and other financial institutions peaked at \$37.1 billion in 2009 and has since been mostly declining, according to Moeb's Services, an economic research firm in Lake Forest, Ill. It totaled \$31.8 billion in 2014. The declines are due to several factors, including consumers avoiding overdrafts and using more affordable banking options, according to Moeb's.

New regulation has also played a role. The Federal Reserve amended Regulation E, a change that went into effect in 2010, to prohibit banks from charging for overdrafts when consumers use their debit card to go shopping or make withdrawals from an ATM—unless consumers opt in for overdraft coverage, which many banks refer to as overdraft protection.

Customers who don't opt in will see their transactions declined and will avoid overdrawing, while those who opt in will have their transaction processed and will incur the overdraft fee.

Still, consumer confusion is widespread around how overdraft fees are incurred. While a growing number of banks are clearly disclosing overdraft options on their website, in their standard disclosure information or list of fees, according to Pew, 52% of consumers who overdraw their checking accounts in 2014 from a debit-card transaction didn't recall signing up for this service.

Some 78% of 32 banks that Pew has studied for the last three years allow checking-account users to overdraw at an ATM and the same share permit overdrawing when they use their debit card to make a purchase—figures that have remained relatively steady since 2013.

The Pew study found several signs of improvement in bank checking-account practices that are leading to more protections for consumers. Fully 78% of the banks Pew studied are offering a summary disclosure box that meets the nonprofit's criteria, up from 59% in 2014 and 25% in 2013, according to

Pew. Similarly, more banks are clearly identifying the costs of overdraft fees.

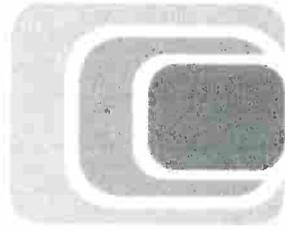
Consumers who want to take a bank to court over checking-account practices, however, will find fewer options to do that. Sixty-six percent of the 32 banks Pew studied over three years have contract language barring customers from taking part in class-action lawsuits and 94% of the 32 banks studied bar them from taking gripes to jury trials.

The Consumer Bankers Association, a trade group representing large and regional banks, released a statement on the report Tuesday afternoon pointing to Pew's findings that 100% of the banks it tracks that charge an overdraft penalty fee clearly identify that fee. That figure is up from 94% in 2013, according to the Pew report.

"Consumer choice is paramount in our industry, and CBA believes customers should be able to decide how best to meet their short-term funding needs," said Richard Hunt, chief executive officer of the CBA, in the statement. "We will continue to work with Pew and others to ensure consumers are informed when making their individual financial decisions."

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CALIFORNIA
CONSUMER
FINANCE
ASSOCIATION

Payday Loans in the State of California

- To Get A Payday Advance You Must Have The Following:
 - A checking account (proof of your checking account)
 - Two valid forms of identification (generally a drivers' license or ID and an utility bill)
 - A job or steady income (with two recent paystubs)
- A payday loan is a flat fee per transaction product.
 - **California law mandates:**
 - Stores can charge NO more than 15% of the face amount of the check. The maximum loan of \$255 plus the \$45 fee equals a total of \$300.
 - There are NO accruing interest charges and NO late fees.
 - It is illegal to charge any more than the initial fee.
- How are payday loans regulated?
 - Payday loan companies are regulated by the Department of Business Oversight (DOB) and are subject to audits.
 - Every payday loan store is individually licensed and must abide by federal, state, county and city laws.
 - State law governs payday loan terms, fees, and consumer protection.
- In the State of California ...
 - The vast majority of customers pay back their loan, on time, in two weeks.
 - The average customer earns approximately \$55,000/year and more than half own a home.
 - It is illegal to 'rollover' a loan - a customer cannot take out a new loan to pay off an existing one.
 - Payday loan companies are regulated by the Department of Business Oversight (DOB) and are subject to auditors by the DOB every two years
- APR vs. Fee-based Product: (*Federal Truth and Lending Guidelines*) The industry is mandated by the federal government to display Annual Percentage Rate (APR).
 - Though this is only a two-week loan, if amortized (one took out this loan every two weeks for an entire year), it would amount to 391 percent.
 - Under California law, payday lenders are only allowed to charge a one-time upfront fee for a transaction. Compounding interest or late fees are NOT allowed.
- Payday advance compares favorably to many consumer alternatives, even when expressed as annual percentage rates for two-week terms:
 - \$100 payday advance with \$15 fee is 391% APR.;
 - \$100 bounced check with \$54.87 NSF/merchant fee is 1431% APR;
 - \$100 credit card balance with \$37 late fee is 965% APR;
 - \$100 utility bill with \$46.16 late/reconnect fees is 1203% APR;
 - \$100 off-shore Internet payday advance with \$25 fee is 651.79% APR;
 - \$29 overdraft fee on \$100 is 755%.
- How Do Payday Lenders Compare As Employers?
 - The entry-level employee makes between \$10-15/hour - offering employees full medical insurance and 401k options.

THE SACRAMENTO BEE

February 22, 2015



Claudia Buck

Personal finance news and advice you can use

Payday loans thwart regulators

Online operators skirt laws on interest charges, late fees

BY CLAUDIA BUCK
02/22/2015 12:00 AM

Borrowing money at an annual interest rate of 2,320 percent? Hard to believe, but that's what state officials say was charged to one California consumer who took out an online payday loan last year.

Charging excessive interest is just one of numerous illegal loan practices perpetrated by unscrupulous online payday lenders, who pop up almost as quickly as state officials try to squash them.

This week, the state Department of Business Oversight announced it had pounced on 18 payday-loan companies in 2014, accusing them of violations that include operating without a license, making loans that exceed the state's legal limit and charging customers "outrageous" fees. All but three were online lenders, who typically operate beyond the state's reach.

"It's an ongoing problem we continue to battle," said DBO spokesman Tom Dresslar. "They're charging outrageous fees. They pop up out of nowhere."

Some online payday lenders operate from as far away as Costa Rica, the West Indies and Malta. Given their elusive online presence, Dresslar said, it's a problem "that's really tough to suppress."

That's why the DBO is urging borrowers to think twice before answering the enticing online ads from unlicensed payday lenders. They lure distressed consumers with catchy names like CashInAWink.com, EZPaydayCash.com, PaydaySOS.com or CashJar.com, and with promises of "instant cash" and easy access: "Bad Credit OK, Apply Now!"

“Payday borrowers are in dire straits. They’re just trying to get over a hump. It’s a significant consumer-protection problem,” Dresslar said.

Online payday loans can be extremely costly and risky. Because the lenders require debit access to your bank account, they can illegally withdraw funds without permission. And some may sell or steal your personal financial information, says the DBO.

The DBO says most consumers are unaware that a payday loan in California cannot exceed \$300 and that fees cannot be more than 15 percent of the principal amount. That means on a \$300 loan, consumers cannot be charged more than \$45 for a loan that’s typically due in two weeks’ time.

Jacquie McCarley, 33, a Bay Area tech recruiter, said she filed numerous complaints after taking out two payday loans from Cloud 9 Marketing LLC, an online company based in Wilmington, Del. The first time, in 2012, she took out “a super-short loan, literally to float me through the weekend” and paid it back in less than a week. According to McCarley and the DBO’s investigation, she was charged \$30 for every \$100, a rate that is double the state’s legal maximum. A few months later, she took out a second payday loan and agreed to extend the payments over two months. She said she was charged numerous late fees, which the law prohibits. Ultimately, McCarley owed more in fees – \$600 – than the actual loan amount of \$200.

“It made me very angry they’re preying upon at-risk people,” McCarley said.

Cloud 9 is one of the online lenders that the DBO ordered last year to stop making loans and repay borrowers. The DBO was unable to serve its order because the company doesn’t have a physical office.

Last August, Dresslar said, the DBO sent letters to eight of the country’s top online search engines, including Google, AOL, Yahoo and Bing, asking them to block from their sites a list of 31 online lenders that are not licensed in California.

The response? “Underwhelming,” Dresslar said. Only one – Yahoo – responded, and it deferred any action to its parent company.

The DBO is making the appeal again, Dresslar said. It’s also revising state regulations that govern the payday loan industry.

Last year, the DBO went after 18 payday lenders with varied sanctions. In some cases, it levied fines or ordered companies to repay fees to borrowers. One company, Quick Cashing Inc. based in Los Angeles, was ordered to pay \$30,000 in penalties, void all transactions, return principal and “disgorge” fees back to consumers. A hearing in the case is set for Monday.

As for the loan with the whopping 2,320 percent APR, the DBO said it was issued by Brighton FNL, an unlicensed online lender operating from Salt Lake City. It did not specify how much the borrower actually paid.

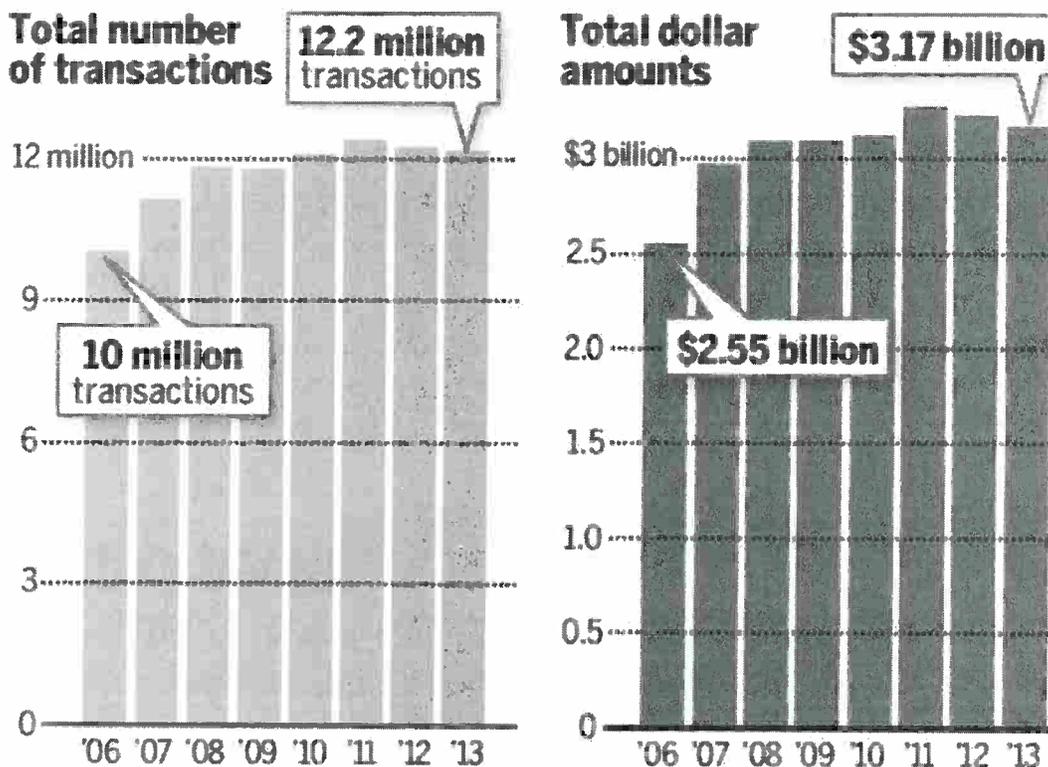
Problem payday lenders – the online variety – have bedeviled state authorities for years. In 2013, DBO spokesman Mark Leyes likened it to “whack-a-mole,” because online companies get shut down, only to change their name and pop back up.

“If it’s a storefront payday lender, you walk in and look someone in the eye,” said Leyes. “But when you go online, you don’t know who you’re dealing with, where they’re located or what their intentions are.”

Call *The Bee’s* Claudia Buck at (916) 321-1968 or read her *Personal Finance* columns at sacbee.com/claudia-buck.

PAYDAY LOANS

The number of payday loans issued by licensed lenders in California has increased 21 percent since 2006.



Source: California Department of Business Oversight

The Sacramento Bee

PAYDAY LOANS AT A GLANCE

What they are:

Short-term, small-amount, high-cost loans that use a paycheck as collateral. They're also called cash-advance loans, post-dated check loans or deferred-deposit loans.

How they work:

With a walk-in payday lender, you take out a loan for \$300 and hand over a post-dated check. (With an online payday loan, a borrower provides debit access to his or her bank account instead of a paper check.) Typically, full repayment is due in two weeks – or from your next paycheck.

The fees:

In California, the loan fee is \$15 per \$100. For a \$300 loan – the maximum allowed – you receive \$255 in cash (\$300 minus \$45 in fees). On an annual basis, the APR on a \$300 two-week loan in California is 459 percent.

Typical borrower:

The average California payday-loan borrower takes out six to seven loans in one year.

How regulated:

In California, the state Department of Business Oversight licenses payday lenders. There is no federal licensing of payday lenders. To check if a lender is licensed, go to: dbo.ca.gov or call (866) 275-2677. (Use the same number to report an unlicensed lender or file a complaint.)

Consejos financieros de sentido común

Evite problemas de dinero en el futuro:

- Haga un presupuesto (enumere todas las fuentes de ingresos y todos los gastos mensuales, incluido el total de sus deudas).
- Dé prioridad a sus deudas (pague las tasas de interés más caras primero); elimine todos los gastos innecesarios.
- Cree un fondo de emergencia guardando una pequeña cantidad de cada cheque de pago en una cuenta de ahorros. Adquiera el hábito de hacer depósitos con regularidad.
- Contacte un servicio local de asesoramiento en créditos para obtener ayuda para hacer un presupuesto mensual o un plan de pago con sus acreedores.

Préstamos de día de pago en línea:

¡PRECAUCIÓN!

El departamento pide urgentemente a los consumidores que verifiquen que un prestamista cuente con una licencia antes de compartir su información personal. Puede verificar la licencia en el sitio www.dbo.ca.gov o llamando al 1-866-275-2677.

- Es posible que los prestamistas sin licencia retiren dinero directamente de su cuenta bancaria de manera ilegal y sin su permiso, incluso si usted no puede pagar el préstamo.
- Podrían cobrarle ilegalmente una tasa de interés mucho más alta que las leyes de California permite.
- Los prestamistas de día de pago por Internet sin licencia pueden vender o piratear su información financiera personal.
- Es posible que los prestamistas operen fuera del estado o en el extranjero, por lo que puede ser difícil rastrearlos y recuperar sus fondos perdidos si violan la ley.

Si desea presentar una queja formal contra un prestamista sin licencia, visite www.dbo.ca.gov y presente un Formulario de queja del consumidor ante el Departamento de Supervisión de Empresas.

LLAMADA GRATUITA 1-866-275-2677

CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

DEPARTMENT OF BUSINESS OVERSIGHT

State of California
Business, Consumer Services and Housing Agency

Lo que usted necesita saber sobre Los Préstamos de Día de Pago



Comuníquese al Departamento de Supervisión de Empresas de California (California Department of Business Oversight) para comprobar el estado de la licencia de un prestamista de día de pago, consultar el historial de acciones disciplinarias contra un prestamista de día de pago o presentar una queja contra un prestamista de día de pago.

Para obtener copias adicionales de esta publicación, envíe una solicitud por correo electrónico a forms@dbo.ca.gov

CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

llamada gratuita 1-866-275-2677

TTY 1-800-735-2922

www.dbo.ca.gov



EL 79293350
John W. Sauer
DEPARTMENT OF
BUSINESS OVERSIGHT

State of California
Business, Consumer Services and Housing Agency

¿Qué es un préstamo de día de pago?

Los préstamos de día de pago también se conocen como “adelantos de efectivo” o “depósitos diferidos”. Con un préstamo de día de pago, el prestatario escribe un cheque a nombre de un prestamista a cambio de un préstamo de dinero en efectivo a corto plazo. Por ejemplo, un prestatario escribe un cheque por \$300, paga una tarifa de \$45 y recibe \$255 en efectivo. El prestamista cobra el cheque el próximo día de pago del prestatario, hasta 31 días después.

Las tarifas de los préstamos de día de pago:

De acuerdo con las leyes de California, el monto máximo que un consumidor puede pedir en un préstamo de día de pago es \$300. La tarifa máxima que puede cobrar un prestamista es el 15% del monto del cheque (hasta un máximo de \$45). Se aplican restricciones adicionales para los préstamos a los miembros del servicio militar y sus dependientes.

Una tarifa del 15% es equivalente a una tasa anual de intereses (annual percentage rate, APR) del 460% para un préstamo de dos semanas. En comparación, un préstamo para un automóvil nuevo por lo general tiene una APR de entre el cuatro y el siete por ciento.

APR es la tasa anual de intereses total que un prestatario paga por un préstamo, incluidos todos los cargos y tarifas. APR se usa para revelar el costo total de pedir dinero prestado.

Si usted pide un préstamo de día de pago:

Pida prestado sólo lo que puede pagar en su totalidad en su próximo día de pago. Algunos prestatarios se dan cuenta de que no pueden pagar el préstamo cuando llega la fecha de vencimiento del préstamo. Se recomienda a los prestatarios **no** sacar un segundo préstamo de otro prestamista de día de pago para pagar el primero, ya que esto puede llegar a un ciclo de deudas costosas y difícil de recuperar.

Préstamos a miembros del servicio militar y sus dependientes:

Debido a los cambios recientes en las leyes federales y de California que limitan las tarifas de los préstamos de día de pago para los miembros del servicio militar y sus dependientes, es posible que algunos prestamistas de día de pago decidan no conceder préstamos a los miembros del servicio militar y sus dependientes.

Las leyes de California lo protegen:

- En California, todos los prestamistas de día de pago, ya sea en un local físico o en línea, deben contar con una licencia autorizada por el Departamento de Supervisión de Empresas para poder hacer negocios en el estado. Visite el sitio web del departamento para verificar la licencia de un prestamista.
- Un prestamista de préstamo de día de pago sólo puede hacerle **un** préstamo (que no puede ser superior a \$300), y sólo puede cobrar un **costo máximo** de 15% del importe total del cheque (hasta \$45). Se aplican restricciones adicionales sobre la comisión para los miembros de las fuerzas militares.
- Los prestamistas deben mostrar su licencia de California y una tabla de tarifas en todas las ubicaciones.
- Un prestamista de día de pago **no puede** darle un nuevo préstamo para pagar un préstamo existente.
- Un prestamista de día de pago **no puede** darle un nuevo préstamo mientras exista un préstamo pendiente, incluso si el saldo combinado del préstamo existente y el nuevo préstamo no supere los \$300.
- Si su cheque es rechazado, el prestamista sólo puede cobrar **un** cargo por cheque rechazado (hasta \$15). (Tenga en cuenta que su banco puede cobrar cargos adicionales por falta de fondos.)
- **No se le pueden** cobrar cargos adicionales si usted solicita una extensión del plazo o un plan de pago. Sin embargo, el prestamista no tiene la obligación legal de aceptar su petición.
- Por ley, **deben** proporcionarle el contrato del préstamo de día de pago en el idioma que usted haya utilizado principalmente para negociar con el prestamista.
- Un prestamista de día de pago **no puede** amenazar con llevarlo a un tribunal penal por fondos insuficientes.
- Además, es posible que usted tenga otro tipo de protección legal de acuerdo con las leyes de California. Si necesita ayuda o sospecha que se están violando las leyes, comuníquese al Departamento de Supervisión de Empresas.

Si tiene problemas de crédito:

Llame a sus acreedores y pídale perdonar los cargos por pagos atrasados, reducir la tasa de interés o trabajar con usted para establecer un calendario de pago que funcione para usted.

Si tiene pagos de facturas atrasados u otros problemas de crédito, los servicios de un asesor financiero pueden serle útiles. Los asesores le ayudan a revisar su situación financiera en general y le ayudan a desarrollar un plan personalizado de manejo de dinero. Tenga en cuenta que una agencia de gestión de deudas dice ser “sin fines de lucro” esto no garantiza que los servicios sean legítimos o accesible.

Una agencia acreditada debe enviarle información gratuita sin que usted tenga que proporcionar datos personales. Busque una amplia gama de servicios, que incluyan asesoría para elaborar presupuestos y clases sobre ahorros y gestión de deudas. Evite aquellas que insistan en un plan de gestión de deudas como su única opción antes de analizar su situación financiera.

Visite el sitio web de la Fundación Nacional para el Asesoramiento Crediticio (National Foundation for Credit Counseling, NFCC), www.nfcc.org, o llame a la línea gratuita 1-800-388-2227 para obtener ayuda con problemas de crédito y con acreedores.

Si está en riesgo de quedar en bancarrota:

Las leyes federales recientes exigen que reciba asesoramiento crediticio obligatorio antes de declararse en bancarrota. Visite el sitio <http://www.consumer.ftc.gov/articles/0224-filing-bankruptcy-what-know> para obtener información y ayuda acerca del asesoramiento crediticio.

El Programa Fiduciario Federal del Departamento de Justicia de EE. UU. aprueba organizaciones para que proporcionen asesoramiento obligatorio antes de que usted pueda declararse en bancarrota y educación obligatoria al deudor *después* de que se declare en bancarrota.

Visite el sitio <http://www.justice.gov/ust/eo/bapcpa/ccde/> para encontrar una organización aprobada cerca de usted.

Naz Pouya

From: Paul Soter <psoter@sonic.net>
Sent: Tuesday, October 27, 2015 3:27 PM
To: Naz Pouya
Cc: Dan Gwaltney; Thomas Leonard; Aggie.Clark@Moneytreeinc.com Clark; ccole@advocation-inc.com Cole; Sumant Jeswani
Subject: Draft Proposed Ordinance

Dear Ms. Pouya -

I left you a voice mail a while ago, but wanted to share my concerns about the proposed ordinance affecting payday lenders and check cashers in the City of Campbell. I am general counsel to the California Financial Services Providers, which is the California trade association of small-dollar lenders and money service businesses, and am counsel to at least one business that operates in Campbell.

I only received the proposed ordinance this afternoon, and my copy was missing page 3 and 11. However, working from what I had, I must note the following initial concerns:

- The blanket prohibition of payday lenders and check cashers in the following zoning districts: professional office; neighborhood commercial; central business district; low income census tracts; controlled manufacturing; light industrial; new condominium/converted condominium; planned development; and a couple of undescribed districts. We believe the market should determine such occupancy;
- Limitation to one payday or and check casher in each of 5 general commercial-zoned quadrants, apparently temporarily;
- Prohibit payday lenders and check cashers within 500 feet of a liquor store. We are unaware that this is a problem. Does the City have data on this?
- No full grandfathering. Require existing businesses to move out in 2 years, unless they can prove they have made substantial investment in current presumes, cannot recoup their investment; and have made good with efforts to recoup their investment and relocate. This is not reasonable, and we believe it constitutes both impairment of contracts and a taking of property without due process.

We are also concerned that the current draft contains a number of unsupported conclusions. For example, it states, upon no evidence that expelling payday lenders and check cashers from low income census tracts would encourage traditional financial institutions offering a wider range of services. There's more, but I'm in haste.

Sumant Jeswani, whom you have met and who owns a business in Campbell, and I will be attending the meeting tonight. We would hope to be able to meet with you to discuss these and other issues prior to the meeting.

Thank you very much.

Paul

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Ordinance No. _____

**BEING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
AMENDING CERTAIN SECTIONS OF TITLE 21 (Zoning) OF THE CAMPBELL
MUNICIPAL CODE RELATING TO PAYDAY LENDING ESTABLISHMENTS**

The City Council of the City of Campbell does ordain as follows:

SECTION 1. Findings: There is significant evidence that payday lending ~~and check cashing~~-businesses significantly undermine the financial stability of low-income communities. Payday lenders generally offer small, fourteen-day loans for which they charge effective interest rates upwards of 460% annual percentage rate (APR). ~~Check cashing outlets cash checks for a large fee or significant percentage of the amount of the check.~~—These businesses operate almost exclusively in low-income neighborhoods and prey upon the City’s most financially vulnerable residents.

SECTION 2. Prohibition of Payday Lending in P-O District: Subsection D of Campbell Municipal Code section 21.10.030 is amended to read as follows, with underlining indicating new text and ~~strikeout~~ indicating deleted text:

Prohibited uses in P-O (Professional Office) zoning district. The following uses are prohibited:

1. Storage of commercial and industrial vehicles, except for the purpose of loading and unloading-;
2. The storage or warehousing of merchandise or products in the building or on the premises, unless otherwise approved-;
3. The outdoor storage of merchandise or products-;
4. The assembly, compounding, manufacturing, or processing of merchandise or products, except such as are customarily incidental or essential to permitted retail commercial and service uses-;
5. Any use which is obnoxious or offensive or creates a nuisance to the occupants or commercial visitors of adjacent buildings or premises by reason of the emissions of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbances-;

~~6. Check cashing;~~

~~6.7. Payday lender;~~

~~7.8. Any use inconsistent with state or federal law.~~

SECTION 3. Prohibition of Payday Lending in C-1 District: Subsection D of Campbell Municipal Code section 21.10.040 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Prohibited uses in C-1 (Neighborhood Commercial) zoning district. The following uses are prohibited:

1. Storage of industrial vehicles, except for the purpose of loading and unloading-;
2. The storage or warehousing of merchandise or products in the building or on the premises for sale other than at retail on the premises-;
3. The outdoor storage of merchandise or products, unless otherwise approved-;
4. The assembly, compounding, manufacturing, or processing of merchandise or products, except such as are customarily incidental or essential to permitted retail commercial and service uses-;
5. Any use which is obnoxious or offensive or creates a nuisance to the occupants or commercial visitors of adjacent buildings or premises by reason of the emissions of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbances-;
6. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.)-;
- ~~7. Check cashing;~~
- ~~7.8. Payday lender;~~
- ~~8.9. Any use inconsistent with state or federal law.~~

SECTION 4. Requirement for Use Permit for Payday Lending in C-2 District: Subsection C of Campbell Municipal Code section 21.10.050 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Uses allowed with conditional use permit in C-2 (General Commercial) zoning district. The following uses are permitted with a conditional use permit in compliance with Chapter 21.46 (Conditional Use Permits):

1. Adult day care facilities;
2. Alternative fuels and recharging facilities;
3. Arcades;
4. Banquet facilities;
5. Bed and breakfast inns (only in historic structures);

6. Broadcast and recording studios;
7. Caretaker/employee housing (not to exceed six hundred forty square feet and one bedroom);
8. Cat and dog day care facilities;
9. Cat and dog grooming facilities;
10. Cat Boarding facilities;
11. Check cashing, ~~subject to the requirements of section 21.36.260;~~
12. Commercial day care centers;
13. Commercial schools;
14. Community/cultural/recreational centers;
15. Convalescent/rest homes;
16. Convenience markets/stores;
17. Conversion, commercial converted from residence;
18. Dancing and live entertainment;
19. Department stores;
20. Drive-in theaters;
21. Emergency shelters;
22. Equipment rental establishments;
23. Gasoline stations;
24. Golf courses and golf driving ranges;
25. Government offices and facilities (local, state or federal);
26. Grocery stores (greater than ten thousand square feet);
27. Hardware stores (greater than ten thousand square feet);
28. Health/fitness centers;
29. Hospitals;
30. Indoor amusement/entertainment/recreation centers;
31. Late night activities;
32. Liquor establishments (on-site consumption only);
33. Liquor stores (off-site consumption only);

34. Medical services, clinics;
35. Medical services, extended care;
36. Miniature golf courses;
37. Motor vehicle - cleaning, washing, and detailing;
38. Motor vehicle - oil change facilities;
39. Motor vehicle - parts and supplies (very limited maintenance/installation);
40. Motor vehicle - renting and leasing;
41. Motor vehicle - sales (new and/or used);
42. Museums, public;
43. Music (recordings) stores;
44. Nightclubs with or without food service;
45. Outdoor active activities (e.g., drive-up windows);
46. Outdoor amusement/entertainment/recreation centers;

47. Outdoor retail sales and activities;
48. Outdoor seating, when more than twelve total seats;
49. Payday lender, subject to the requirements of section 21.36.260;
50. Personal services, limited;
51. Pet stores;
52. Pharmacies/drug stores, with drive-up service;
53. Philanthropic collection trailers;
54. Public assembly uses;
55. Public utility structures and service facilities;
56. Public works maintenance facilities and storage yards;
57. Radio or television transmitters;
58. Radio stations;
59. Recycling facilities - reverse vending machines;
60. Recycling facilities - small collection facility;
61. Restaurants with late night activities or banquet facilities;

62. Restaurants, fast food (with or without drive-in service);
63. Schools - K—12, private;
64. Second hand/thrift stores;
65. Shopping centers (greater than ten thousand square feet);
66. Sign shops;
67. Spa services;
68. Studios, large;
69. Studios, small;
70. Tanning studios;
71. Theaters, movie or performing arts;
72. Transitional housing;
73. Tutoring center, large;
74. Tutoring center, small;
75. Universities/colleges, private;
76. Veterinary clinics and animal hospitals;
77. Video rental stores;
78. Warehouse retail stores;
79. Wireless telecommunications facilities - non-stealth.

SECTION 5. Prohibition of Payday Lending in C-3 District: Subsection D of Campbell Municipal Code section 21.10.060 is amended to read as follows, with underlining indicating new text and ~~strikeout~~ (strikeout) indicating deleted text:

Prohibited uses in C-3 (Central Business District) zoning district. The following uses are prohibited in the C-3 district:

1. Storage of industrial vehicles, except for the purpose of loading and unloading;
2. The storage or warehousing of merchandise or products in the building or on the premises for sale other than at retail on the premises;
3. The outdoor storage of merchandise or products, unless otherwise approved, in compliance with subsection H of this section;
4. The assembly, compounding, manufacturing or processing of merchandise or products, except such as are customarily incidental or essential to permitted retail commercial and service uses;

5. Any use which is obnoxious or offensive or creates a nuisance to the occupants or commercial visitors of adjacent buildings or premises by reason of the emission of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbance;

6. Auto repair;

7. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.);

~~8. Check cashing;~~

~~8.9. Payday lender;~~

~~9.10. Any use inconsistent with state or federal law.~~

SECTION 6. Prohibition of Payday Lending in C-M District: Subsection D of Campbell Municipal Code section 21.10.070 is amended to read as follows, with underlining indicating new text and ~~strikeout~~ indicating deleted text:

Prohibited uses in C-M (Controlled Manufacturing) zoning district. The following uses are prohibited:

1. Any use which is obnoxious or offensive or creates a nuisance to the area by reason of the emission of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbances;

2. The use of any building that was constructed as a residential structure. Such building is considered nonconforming and subject to the provisions of Chapter 21.58 (Nonconforming Uses and Structures);

3. The storage of raw, in process, or finished material and supplies, and of waste materials outside of an enclosed building;

4. All incineration;

5. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.);

~~6. Check cashing;~~

~~6.7. Payday lender;~~

~~7.8. Any use inconsistent with state or federal law.~~

SECTION 7. Prohibition of Payday Lending in M-1 District: Subsection D of Campbell Municipal Code section 21.10.080 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Prohibited uses in M-1 (Light Industrial) zoning district. The following uses are prohibited:

1. Any use which is obnoxious or offensive or creates a nuisance to the area by reason of the emission of dust, fumes, glare, heat, liquids, noise, odor, smoke, steam, vibrations, or similar disturbances;
2. The use of any building that was constructed as a residential structure. Such building is considered nonconforming and subject to the provisions of Chapter 21.58 (Nonconforming Uses and Structures);
3. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.);

~~4. Check cashing;~~

~~4.5. Payday lender;~~

~~5.6. Any use inconsistent with state or federal law.~~

SECTION 8. Prohibition of Payday Lending in C-PD District: Subsection D of Campbell Municipal Code section 21.12.020 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Restrictions. The C-PD zoning district is the only zoning district in which the construction of new condominiums, or the conversion of existing residential, commercial, or industrial structures to condominiums, is allowed. The following uses are expressly prohibited:

1. Any use inconsistent with state or federal law-;

~~2. Check cashing;~~

~~2.3. Payday lender.~~

SECTION 9. Prohibition of Payday Lending in P-D District: Subsection F of Campbell Municipal Code section 21.12.030 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Prohibited uses in the P-D (Planned Development) zoning district. The following uses are prohibited:

1. Any business that includes smoking tobacco on site (e.g., smoking lounges, hookah lounges, etc.);

~~2. Check Cashing;~~

~~2.3.~~ Payday lender;

~~3.4.~~ Any use inconsistent with state or federal law.

SECTION 10. Prohibition of Payday Lending in P-F District: Subsection E of Campbell Municipal Code section 21.12.040 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Uses prohibited. The following uses are prohibited in the P-F zoning district:

1. Storage of commercial or industrial vehicles, except for the purpose of loading or unloading;
2. Storage of equipment, materials, or supplies for commercial or industrial purposes;

~~3.~~ Check cashing;

~~3.4.~~ Payday lender;

~~4.5.~~ Any use inconsistent with state or federal law.

SECTION 11. Reorganization of Provision for P-F/OS District: Subsection D of Campbell Municipal Code section 21.12.050 is amended to read as follows, with underlining indicating new text and strikeouts (~~strikeout~~) indicating deleted text:

Development standards. New land uses and structures, and alterations to existing uses or structures shall be designed, constructed, and/or established in compliance with the requirements in Table 2-16 (General Development Standards - P-F/O-S Zoning District), in addition to the general development standards (e.g., landscaping, parking and loading, etc.) in Article 3 (Development and Operational Standards). The following uses are explicitly prohibited:

~~1.~~ Check cashing;

~~1.2.~~

~~Any use inconsistent with state or federal law.~~

SECTION 12. Prohibition of Payday Lender in PF/OS District: Subsection E is added to Campbell Municipal Code section 21.12.050 to read as follows:

Prohibited Uses in the PF/OS zoning district. The following uses are prohibited:

1. Payday lender;
2. Any use inconsistent with state or federal law.

SECTION 1312. Liquor stores: Section 21.36.110 of Campbell Municipal Code is amended to read as follows with underlining indicating new text:

This section provides locational and operational standards for the establishment of off-site alcoholic beverage sales, in compliance with Article 2 (Zoning Districts), which shall be subject to the following criteria and standards:

A. Conditional use permit required. Off-site alcoholic sales establishments shall be allowed by conditional use permit, in compliance with Chapter 21.46, (Conditional Use Permits), and subject to all of the restrictions of the applicable zoning district.

B. Plans. Plot plans, landscaping and irrigation plans, and floor plans shall be subject to the approval of the planning commission.

C. Proximity to sensitive receptors. All off-site alcoholic sales establishments, except grocery stores, shall be separated from a park, playground, or school a minimum distance of 300 feet measured between the nearest property lines.

D. Proximity to other establishments. All off-site alcoholic establishments, except grocery stores, shall be a minimum of 500 feet from another such use, either within or outside the city.

E. Additional conditions. The planning commission may add additional conditions required to protect the public health, safety, and general welfare of the community.

F. Proximity to payday lenders ~~and check cashing establishments~~. All off-site alcoholic establishments, except grocery stores, shall be a minimum of 500 feet from any payday lender ~~or check cashing establishment~~, either within or outside the city.

SECTION 1413. Restrictions on ~~Check Cashing and~~ Payday Lending Establishments: Section 21.36.260 is hereby added to Chapter 21.36 of the Campbell Municipal Code to read as follows with underlining indicating new text:

Check Cashing and Payday Lending Establishments.

A. Conditional use permit required. ~~Check cashing and~~ Payday lending establishments shall be allowed by conditional use permit, in compliance with Chapter 21.46 (Conditional Use Permits), and subject to all of the restrictions of the C-2 (General Commercial) zoning district.

B. Locational Requirements. Payday lenders ~~and/or check cashing establishments~~ shall meet all of the following conditions:

1. No payday lenders ~~or check cashing establishments~~ shall be located in any zone in the city other than the C-2 (General Commercial) zoning district.

2. No payday lenders ~~or check cashing establishments~~ shall be located within a low income census tract, as defined by the area inside San Tomas Expressway and South Winchester Boulevard, from the intersection of San Tomas Expressway and South Winchester Boulevard, north to the city limits.

3. No payday lenders ~~or check cashing establishments~~ shall be located within 500 feet from any off-site alcoholic establishment, except grocery stores, either within or outside the city.

4. Except as provided in subsection C, in no event shall there be more than three payday lenders ~~and/or check cashing establishments~~ within the City.

5. Payday lenders ~~and/or check cashing establishments~~ may be permitted in the following commercial quadrants as indicated in Figure 3-15, upon filing an application for a Conditional Use Permit and satisfying the required findings to support such use. In no event shall there be more than one payday lender ~~and/or check cashing establishment~~ in each commercial quadrant.

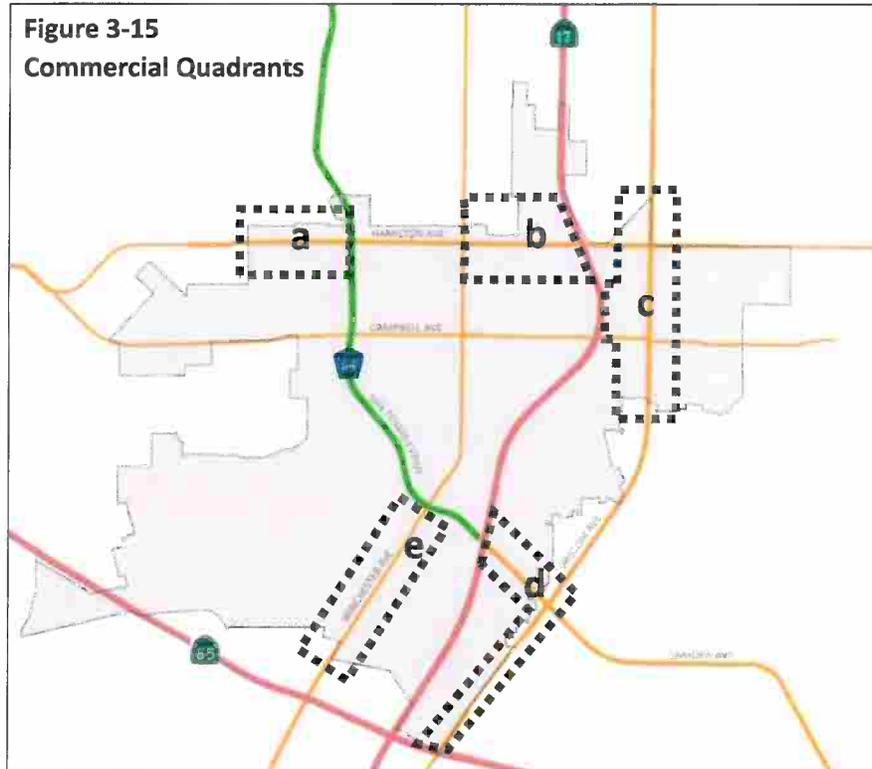
a. West Hamilton Avenue, west of San Tomas Expressway;

b. East Hamilton Avenue, east of South Winchester Boulevard and west of Highway 17;

c. South Bascom Avenue, north of Dry Creek Road;

d. Camden Avenue and South Bascom Avenue, south of Camden Avenue;

e. South Winchester Boulevard, south of Sunnyoaks Avenue



C. Nonconforming Uses. Any use of real property lawfully existing on the effective date of this section, which does not conform to the provisions of this section, but which was constructed, operated, and maintained in compliance with all previous regulations, shall be regarded as a nonconforming use and may continue in compliance with the regulations of Section 21.58.040. Upon obtaining a Conditional Use Permit, a non-conforming payday lender that was in existence prior to the effective date of this section may relocate at any time into one of the commercial quadrants identified in paragraph 5 of subsection B even if the total number of payday lenders in the City exceeds three.

Notwithstanding the above provision, nonconforming uses shall come into compliance with the operational requirements of subsection D of this section within 30 days of the effective date of the ordinance enacting this section.

D. Operational Requirements. Payday lenders shall meet all of the following conditions:

- 1.G. Hours of operation must be between the hours of 7 a.m. to 7 p.m. daily.
- 2.D. No security bars shall be placed on doors or windows.
- 3.E. Notwithstanding any other provision of the Municipal Code, window signs shall not exceed 10 percent of the window area per façade.

F. Amortization of nonconforming payday lenders and check cashing establishments. Any use of real property lawfully existing on the effective date of this section, which does not conform to the provisions of this section, but which was constructed, operated, and maintained in compliance with all previous regulations, shall be regarded as a nonconforming use, which may continue for no more two years from the effective date of the ordinance enacting this section, unless the payday lender or check cashing establishment comes into compliance with the provisions of this section.

G. Extension of time for termination of nonconforming use. The owner or operator of a nonconforming use as described in subsection F of this section, may apply under the provisions of this subsection to the Planning Commission for an extension of time to operate the nonconforming use.

1. Time and manner of application. An application for an extension of time to operate a use made nonconforming by the provisions of subsection F of this section may be filed by the owner of the real property upon which such use is operated, or by the operator of the use. Such an application must be filed with the community development department at least ninety days but no more than one hundred eighty days prior to the expiration of the two year period set forth in subsection F.

2. Content of application and required fees. The application shall state the grounds for requesting an extension of time. The filing fee for such application shall be the same as that for a variance as is set forth in the schedule of fees established by resolution from time to time by the City Council.

3. Hearing procedure. A hearing shall set on the matter before the Planning Commission within forty five days of receipt of the application. All parties involved shall have the right to offer testimonial, documentary and tangible evidence bearing on the issues. Any relevant evidence may be admitted that is the sort of evidence upon which reasonable persons are accustomed to rely in the conduct of serious affairs. Any hearing under this section may be continued for a reasonable time for the convenience of a party or a witness.

4. Approval of extension and required findings. An extension under the provisions of this section shall be for a reasonable period of time commensurate with the investment involved, and shall be approved only if the planning commission makes all of the following findings:

a. The applicant has made a substantial investment (including but not limited to lease obligations) in the property or structure on or in which the nonconforming use is conducted; such property or

~~structure cannot be readily converted to another use; and such investment was made prior to the effective date of this section;~~

~~b. The applicant will be unable to recoup said investment as of the date established for termination of the use; and~~

~~c. The applicant has made good faith efforts to recoup the investment and to relocate the use to a location in conformance with subsection B of this section.~~

SECTION 1514. Definition of Banks and Financial Services: The definition of "Banks and financial services" in subsection B of Section 21.72.020 of the Campbell Municipal Code is amended to read as follows, with underlining indicating new text and ~~strikeouts~~ (~~strikeout~~) indicating deleted text:

"Banks and financial services" means financial institutions including:

1. Banks and trust companies;
2. Credit agencies;
3. Holding (but not primarily operating) companies;
4. Lending and thrift institutions;
5. Other investment companies;
6. Securities/commodity contract brokers and dealers;
7. Security and commodity exchanges;
8. Vehicle finance (equity) leasing agencies.

See also "Automated teller machine." But "Banks and financial services" does not include "Check cashing or Payday lending."

~~**SECTION 15.** Definition of Check Cashing: The definition of "Check cashing" in subsection C of Section 21.72.020 of the Campbell Municipal Code is amended to read as follows, with underlining indicating new text and ~~strikeouts~~ (~~strikeout~~) indicating deleted text:~~

~~"Check cashing" means a business that serves only to exchange cash or money orders for checks from a third party, a retail business owned or operated by a "check casher" as that term is defined in California Civil Code section 1789.31 as amended from time to time.~~

SECTION 16. Definition of Payday lender: Subsection P of Section 21.72.020 of the Campbell Municipal Code is amended to insert the following definition of “Payday lender” between the definitions of “Parks, public” and “Personal services, limited,” to read as follows, with underlining indicating new text:

“Payday lender” means a retail business owned or operated by a “licensee” as that term is defined in California Financial Code section 23001(d), as amended from time to time.

SECTION 17. This Ordinance shall become effective (30) days following its passage and adoption and shall be published once within fifteen (15) days upon passage and adoption in the Campbell Express, a newspaper of general circulation in the City of Campbell, County of Santa Clara.

PASSED AND ADOPTED this _____ day of _____, 2016 by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk

MEMORANDUM



City of Campbell
City Clerk's Office

To: Honorable Mayor and City Council

Date: January 5, 2016

From: Andrea Sanders, Deputy City Clerk *AS*

Via: Mark Linder, City Manager *MJ*

Subject: **Desk Item 9 – Email from Sophia Garcia**

On January 5, 2016 the Clerk's office received an e-mail from Sophia Garcia as part of the public record regarding item 9.

Attached is the email with its attachments for your consideration.

Andrea Sanders

From: Garcia, Sophia -
Sent: Tuesday, January 05, 2016 4:15 PM
To: Jason Baker; Jeffrey Cristina; Michael Kotowski; Liz Gibbons; Paul Resnikoff
Cc: Andrea Sanders; Wendy Wood; Campbell City Managers Office; Naz Pouya; akis@cityofcampbell.com; William Seligmann; Fooman, Natasha
Subject: RE: CalCFA Comment Letter - Agenda Item #9
Attachments: CalCFA Comment Letter_Campbell City Council Meeting_1-5-16.pdf; Overdraft Fees Continue to Weigh on Bank Customers - Wall Street Journal.pdf; Research Highlights-Foster-Zoning and Consumer Welfare.pdf; Sacramento Bee - Claudia Buck - Payday loans thwart regulators.pdf; CalCFA -- Statement re DBO Action 022415.pdf; CDDTL - Payday_Loan_Trifold_PDF-FINAL-(Rev.08-13).pdf; Spanish Payday Loan Trifold_2nd ed_web.pdf; Payday Loans in CA CalCFA July 2014.pdf

Importance: High

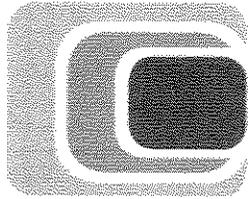
Good afternoon Mayor Baker and Councilmembers,

Attached, please find a comment letter and attachments from the California Consumer Finance Association that we would like on the record for tonight's City Council meeting regarding Agenda Item #9 pertaining to the zoning text amendment to amend the Campbell Zoning Code to create regulations for payday lenders.

Thank you,

Sophia A. Garcia
State Director, Government Affairs
Advance America

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CALIFORNIA
CONSUMER
FINANCE
ASSOCIATION

January 5, 2016

Honorable Jason Baker
City of Campbell
City Hall
70 N. First Street
Campbell, CA 95008

Dear Mayor Baker and City Councilmembers:

This letter is in response to the staff report dated January 5, 2016 to consider a City-initiated Zoning Text Amendment (PLN2015-294) to amend the Campbell Zoning Ordinance to create regulations for payday lenders.

The members of the California Consumer Finance Association (CalCFA) are committed to providing access to a range of affordable, state-regulated, small dollar credit options so consumers and small businesses can choose legitimate products and services that suit their specific financial needs. CalCFA member companies have always worked with legislators and local government officials to create laws and regulations that allow regulated credit options that serve the needs of California residents.

Following a review, we have significant concerns with the proposed ordinance. The language categorizes the presence of payday lending businesses as a public health, safety, and welfare issue and describes them as preying upon the City of Campbell's most financially vulnerable residents.

Consumers are best served when they have a variety of legitimate, competing financial options from which to choose the best solution for their needs. The proposed ordinance will limit choices for consumers and their access to credit. It will also limit business competition in the local financial marketplace. The proposed ordinance will negatively impact both consumers and businesses.

A payday loan is just one option consumers have for short-term credit. To qualify, a consumer must have a bank account and a steady source of income. Often, a payday loan is the most economical dollar-for-dollar option when compared to the higher costs of bouncing a check, paying overdraft protection fees, or incurring late payment penalties. Consumers need to be able to choose which is best for their individual situation. But, the proposed ordinance would curb access to the payday loan option, even if it is the most cost-effective option. Is that good for Campbell consumers? Please see the attached article, "Overdraft Fees Continue to Weigh on Bank Customers", by Anna Maria Andriotis (*The Wall Street Journal* - May 12, 2015).

And, often consumers choose payday loans because of more than just cost. Some prefer payday loans because of their convenience, ease and extended hours of operation. In fact, according to one

study, borrowers' preference for payday loans over similar credit union products is driven "most strongly by credit unions' shorter hours of operation". (*Anti-Payday Lending Zoning Restrictions Can Harm Consumer Welfare, Community Financial Services Association of America.*)

The proposed ordinance will limit options and competition for legitimate, short-term credit. But it will certainly do nothing to curb consumer need and demand. Consumers will continue to seek short-term, small dollar credit. And they will find it. If regulated, legitimate options are limited as proposed in the ordinance, consumers could be forced to use unregulated, unlicensed sources of credit risking much higher costs and unknown collection practices. These unregulated lenders, many of them on the Internet, operate beyond the reach of state and federal law. In fact, this challenge has sparked a significant Department of Business Oversight effort to stop illegal, unregulated Internet payday loans. Please see the attached article, "Payday loans thwart regulators", by Claudia Buck published in *The Sacramento Bee* (February 21, 2015) and CalCFA's response, "*CalCFA Applauds DBO Action Against Unlicensed Lenders*" (February 24, 2015).

The bottom line is that a range of competitive choices of legitimate short-term credit products, including payday loans, are needed by consumers in the community. Without these "non-traditional", state-regulated financial products in the marketplace, many community members would not be able to access cash when they need it most.

We appreciate your consideration of our concerns regarding the issues discussed in this letter and appreciate the opportunity to submit comments.

Sincerely,



Natasha Fooman
President
California Consumer Finance Association (CalCFA)

CC: City of Campbell, City Manager
City of Campbell, City Attorney
City of Campbell, Project Planner
City of Campbell, Planning Manager
City of Campbell, City Clerk

Attachments: Wall Street Journal Article
Sacramento Bee Article
CalCFA Statement
CA Department of Business Oversight Payday Loan Trifold
(*English & Spanish version*)
Payday Loans in the State of California (CFSF document)



AMERICA'S GREATEST RACE
SWEEPSTAKES
10 BIKES — 10 WINNERS

AMGEN 70 TOUR of CALIFORNIA

MAY 10 - 17

ENTER TO WIN >

THE WALL STREET JOURNAL

WSJ.com

May 12, 2015, 11:00 AM ET

Overdraft Fees Continue to Weigh on Bank Customers

By AnnaMaria Andriotis



SUSANA VERA/REUTERS

Some checking-account practices have become more consumer-friendly, but significant issues persist with banks' overdraft policies, according to a report released Tuesday.

More banks are providing concise disclosures about their checking-account fees and terms, according to Pew Charitable Trusts, a nonprofit public-policy organization. But many consumers don't fully understand the rules, and banks have policies that can increase the overdraft fees people incur when they make automated-teller-machine withdrawals or debit-card purchases that exceed their account balance, the report says.

A regulatory change five years ago was supposed to curb such charges, Pew notes. (The [Pew report](#) didn't look at overdraft fees charged in transactions that don't involve a debit card, such as when consumers use online bill pay or write a check for an amount that brings their checking account balance in the negative.)

The median fee for overdrawing a checking account is unchanged at \$35, with 29 of the 45 largest U.S. banks charging between \$35 and \$38 an overdraft, according to Pew.

A consumer's fees can be increased by the order in which multiple debits in a single day are subtracted from the account balance. Of 32 big banks that Pew has studied for the last three years, 44% reorder at least some transactions from high to low by dollar amount, rather than processing them in the order they occur.

With this approach, banks subtract the largest withdrawals first, even if they were the last transactions made in a day, which can result in fees for more of the transactions. While still significant, that 44% figure is down from 53% in 2014 and 59% in 2013, according to Pew.

Twenty-five of the banks tracked by Pew over the past three years cap the number of debit-card overdraft fees a consumer can be hit with in a single day. Among those banks, the median cap is five a day, which can leave a consumer with a total of \$175 in overdraft fees for a day based on a \$35 fee.

A separate study last year by the Consumer Financial Protection Bureau found that most debit-card overdraft fees result from transactions that are less than \$25 and most are repaid within three days. The CFPB concluded that the overdraft fees checking-account users pay are the equivalent of a 17,000% annual percentage rate.

Banks' overdraft policies came under fire by regulators and consumer advocates during the economic downturn. Annual overdraft revenue collected by banks and other financial institutions peaked at \$37.1 billion in 2009 and has since been mostly declining, according to Moebis Services, an economic research firm in Lake Forest, Ill. It totaled \$31.8 billion in 2014. The declines are due to several factors, including consumers avoiding overdrafts and using more affordable banking options, according to Moebis.

New regulation has also played a role. The Federal Reserve amended Regulation E, a change that went into effect in 2010, to prohibit banks from charging for overdrafts when consumers use their debit card to go shopping or make withdrawals from an ATM—unless consumers opt in for overdraft coverage, which many banks refer to as overdraft protection.

Customers who don't opt in will see their transactions declined and will avoid overdrawing, while those who opt in will have their transaction processed and will incur the overdraft fee.

Still, consumer confusion is widespread around how overdraft fees are incurred. While a growing number of banks are clearly disclosing overdraft options on their website, in their standard disclosure information or list of fees, according to Pew, 52% of consumers who overdrew their checking accounts in 2014 from a debit-card transaction didn't recall signing up for this service.

Some 78% of 32 banks that Pew has studied for the last three years allow checking-account users to overdraw at an ATM and the same share permit overdrawing when they use their debit card to make a purchase—figures that have remained relatively steady since 2013.

The Pew study found several signs of improvement in bank checking-account practices that are leading to more protections for consumers. Fully 78% of the banks Pew studied are offering a summary disclosure box that meets the nonprofit's criteria, up from 59% in 2014 and 25% in 2013, according to

Pew. Similarly, more banks are clearly identifying the costs of overdraft fees.

Consumers who want to take a bank to court over checking-account practices, however, will find fewer options to do that. Sixty-six percent of the 32 banks Pew studied over three years have contract language barring customers from taking part in class-action lawsuits and 94% of the 32 banks studied bar them from taking gripes to jury trials.

The Consumer Bankers Association, a trade group representing large and regional banks, released a statement on the report Tuesday afternoon pointing to Pew's findings that 100% of the banks it tracks that charge an overdraft penalty fee clearly identify that fee. That figure is up from 94% in 2013, according to the Pew report.

"Consumer choice is paramount in our industry, and CBA believes customers should be able to decide how best to meet their short-term funding needs," said Richard Hunt, chief executive officer of the CBA, in the statement. "We will continue to work with Pew and others to ensure consumers are informed when making their individual financial decisions."

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ANTI-PAYDAY LENDING ZONING RESTRICTIONS CAN HARM CONSUMER WELFARE

A law review article which is scheduled to appear in the Ohio State Law Journal by Sheila R. Foster, vice dean for Academic Affairs and the Albert A. Walsh Professor of Real Estate, Land Use and Property Law at Fordham University, "*Breaking Up Payday: Anti-Agglomeration Zoning and Consumer Welfare*," casts considerable doubt on whether zoning is the appropriate regulatory tool to achieve the consumer-protection and welfare goals animating these ordinances. The author finds that economic literature on agglomeration economies¹ suggests that there are costs to consumer welfare from limiting or breaking up clusters of retail stores.

The paper suggests that limiting payday stores through zoning can harm consumer welfare by decreasing market competition among rival lenders. Such competition, "can provide consumers—particularly vulnerable consumers with limited access and options to more traditional financial service providers—more product and pricing options than they might have in the absence of this competition...these zoning restrictions may leave payday lending consumers economically worse off than they were in an unfettered payday location market."

The full report can be found at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2346515

Policy Recommendation: Lawmakers should consider more carefully the effects of anti-payday restrictive zoning ordinances on consumer welfare.

Zoning Restrictions can Harm Consumer Welfare

- "Zoning restrictions which limit or prevent firm agglomeration can increase [consumer] search costs and reduce the incentives for competition between retail firms."
- An examination of California payday lender zoning restrictions suggests that, "great skepticism" should be applied to the "claim that zoning ordinances designed to disrupt or prevent payday lender concentrations shield or protect consumers from payday lenders."

Consumers Forced to Choose Other Products are Not Necessarily Better Off

- "...even where banks exist in neighborhoods heavily populated with traditional banking sources, some populations make the understandable, and even rational, choice to use alternative products over more traditional banking products."
- "Moreover, it is not necessarily the case that traditional banking products contain the most competitive terms for economically vulnerable populations. Even when customers have equal access to traditional banking products, such as overdraft credit protection, the associated fees and interest can be more expensive than payday loans."
- "If consumers are apt to use payday lenders over other alternatives for reasons of access and convenience, then they will continue to do so albeit with fewer choices."

Regulation

- "Evidence of a dynamic relationship between payday lending markets and state financial regulation suggests that anti-agglomeration zoning regulations are likely to be, at best, neutral and, at worst, harmful to consumer welfare."

¹ Agglomeration economies are the benefits that come when firms and people locate near one another together in cities and industrial clusters. These benefits all ultimately come from transportation costs savings: the only real difference between a nearby firm and one across the continent is that it is easier to connect with a neighbor.

THE SACRAMENTO BEE

February 22, 2015



Claudia Buck

Personal finance news and advice you can use

Payday loans thwart regulators

Online operators skirt laws on interest charges, late fees

BY CLAUDIA BUCK
02/22/2015 12:00 AM

Borrowing money at an annual interest rate of 2,320 percent? Hard to believe, but that's what state officials say was charged to one California consumer who took out an online payday loan last year.

Charging excessive interest is just one of numerous illegal loan practices perpetrated by unscrupulous online payday lenders, who pop up almost as quickly as state officials try to squash them.

This week, the state Department of Business Oversight announced it had pounced on 18 payday-loan companies in 2014, accusing them of violations that include operating without a license, making loans that exceed the state's legal limit and charging customers "outrageous" fees. All but three were online lenders, who typically operate beyond the state's reach.

"It's an ongoing problem we continue to battle," said DBO spokesman Tom Dresslar. "They're charging outrageous fees. They pop up out of nowhere."

Some online payday lenders operate from as far away as Costa Rica, the West Indies and Malta. Given their elusive online presence, Dresslar said, it's a problem "that's really tough to suppress."

That's why the DBO is urging borrowers to think twice before answering the enticing online ads from unlicensed payday lenders. They lure distressed consumers with catchy names like CashInAWink.com, EZPaydayCash.com, PaydaySOS.com or CashJar.com, and with promises of "instant cash" and easy access: "Bad Credit OK, Apply Now!"

“Payday borrowers are in dire straits. They’re just trying to get over a hump. It’s a significant consumer-protection problem,” Dresslar said.

Online payday loans can be extremely costly and risky. Because the lenders require debit access to your bank account, they can illegally withdraw funds without permission. And some may sell or steal your personal financial information, says the DBO.

The DBO says most consumers are unaware that a payday loan in California cannot exceed \$300 and that fees cannot be more than 15 percent of the principal amount. That means on a \$300 loan, consumers cannot be charged more than \$45 for a loan that’s typically due in two weeks’ time.

Jacquie McCarley, 33, a Bay Area tech recruiter, said she filed numerous complaints after taking out two payday loans from Cloud 9 Marketing LLC, an online company based in Wilmington, Del. The first time, in 2012, she took out “a super-short loan, literally to float me through the weekend” and paid it back in less than a week. According to McCarley and the DBO’s investigation, she was charged \$30 for every \$100, a rate that is double the state’s legal maximum. A few months later, she took out a second payday loan and agreed to extend the payments over two months. She said she was charged numerous late fees, which the law prohibits. Ultimately, McCarley owed more in fees – \$600 – than the actual loan amount of \$200.

“It made me very angry they’re preying upon at-risk people,” McCarley said.

Cloud 9 is one of the online lenders that the DBO ordered last year to stop making loans and repay borrowers. The DBO was unable to serve its order because the company doesn’t have a physical office.

Last August, Dresslar said, the DBO sent letters to eight of the country’s top online search engines, including Google, AOL, Yahoo and Bing, asking them to block from their sites a list of 31 online lenders that are not licensed in California. The response? “Underwhelming,” Dresslar said. Only one – Yahoo – responded, and it deferred any action to its parent company.

The DBO is making the appeal again, Dresslar said. It’s also revising state regulations that govern the payday loan industry.

Last year, the DBO went after 18 payday lenders with varied sanctions. In some cases, it levied fines or ordered companies to repay fees to borrowers. One company, Quick Cashing Inc. based in Los Angeles, was ordered to pay \$30,000 in penalties, void all transactions, return principal and “disgorge” fees back to consumers. A hearing in the case is set for Monday.

As for the loan with the whopping 2,320 percent APR, the DBO said it was issued by Brighton FNL, an unlicensed online lender operating from Salt Lake City. It did not specify how much the borrower actually paid.

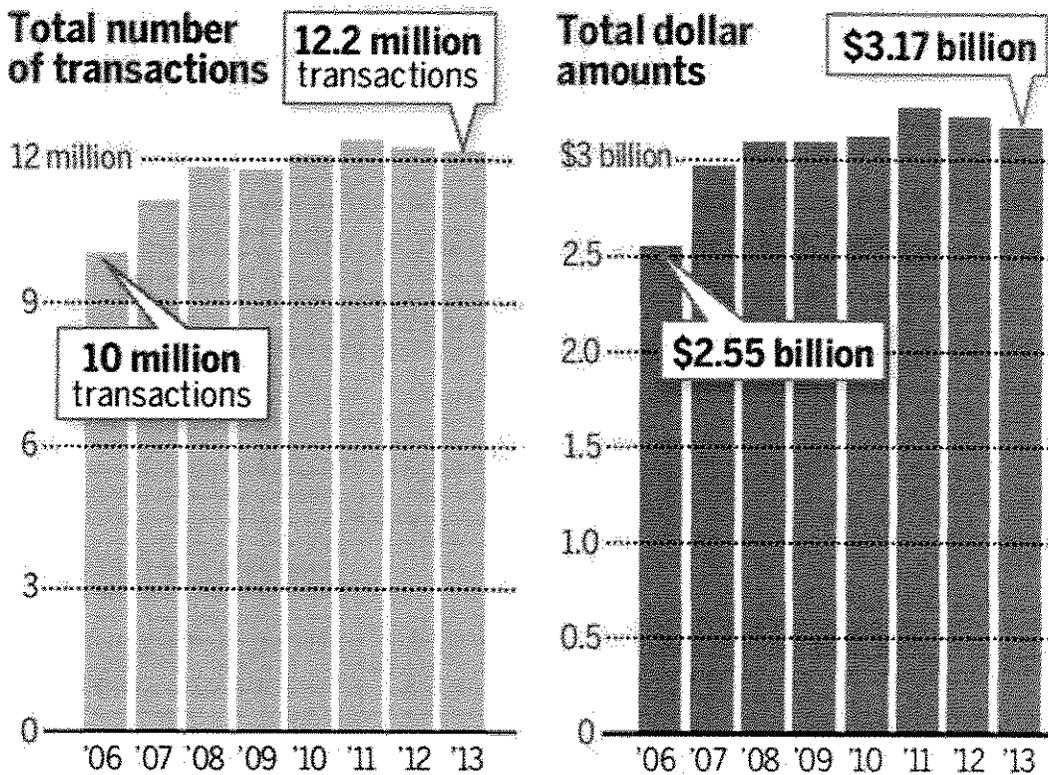
Problem payday lenders – the online variety – have bedeviled state authorities for years. In 2013, DBO spokesman Mark Leyes likened it to “whack-a-mole,” because online companies get shut down, only to change their name and pop back up.

“If it’s a storefront payday lender, you walk in and look someone in the eye,” said Leyes. “But when you go online, you don’t know who you’re dealing with, where they’re located or what their intentions are.”

Call *The Bee’s* Claudia Buck at (916) 321-1968 or read her Personal Finance columns at sacbee.com/claudia-buck.

PAYDAY LOANS

The number of payday loans issued by licensed lenders in California has increased 21 percent since 2006.



Source: California Department of Business Oversight

The Sacramento Bee

PAYDAY LOANS AT A GLANCE

What they are:

Short-term, small-amount, high-cost loans that use a paycheck as collateral. They're also called cash-advance loans, post-dated check loans or deferred-deposit loans.

How they work:

With a walk-in payday lender, you take out a loan for \$300 and hand over a post-dated check. (With an online payday loan, a borrower provides debit access to his or her bank account instead of a paper check.) Typically, full repayment is due in two weeks – or from your next paycheck.

The fees:

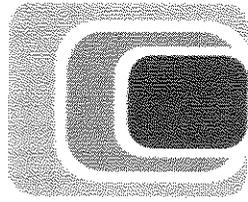
In California, the loan fee is \$15 per \$100. For a \$300 loan – the maximum allowed – you receive \$255 in cash (\$300 minus \$45 in fees). On an annual basis, the APR on a \$300 two-week loan in California is 459 percent.

Typical borrower:

The average California payday-loan borrower takes out six to seven loans in one year.

How regulated:

In California, the state Department of Business Oversight licenses payday lenders. There is no federal licensing of payday lenders. To check if a lender is licensed, go to: dbo.ca.gov or call (866) 275-2677. (Use the same number to report an unlicensed lender or file a complaint.)



CALIFORNIA
CONSUMER
FINANCE
ASSOCIATION

CalCFA Applauds DBO Action Against Unlicensed Lenders

Consumers Need Legitimate Small Dollar Credit Option in Marketplace

(February 24, 2015) The members of the California Consumer Finance Association (CalCFA) support the efforts of the California Department of Business Oversight (DBO) and Commissioner Jan Lynn Owen to crack down on payday loan companies that operate without licenses outside the reach of state regulators and subject consumers to exorbitant rates and financial risk.

Sacramento Bee Personal Finance Reporter Claudia Buck accurately documents the magnitude of the challenge faced by the DBO in the attached article.

For several years now, the member companies of CalCFA have been warning about the steady growth of unlicensed, unregulated and illegal financial services, especially on the Internet. Many of them are based overseas or outside of California, where consumers have little or no recourse if they are treated improperly.

CalCFA member companies offer a range of financial services, including payday loans, under state regulations that limit fees, require clear posted guidelines, and tightly restrict collection practices and access to consumer accounts. These regulations work.

To better understand the unregulated credit problem Ms. Buck documents, look at the financial marketplace today. Demand for credit continues to grow, but consumer credit laws in California have not kept up. Programs lawmakers have established for amounts larger than \$300 have failed simply because they set unrealistic terms that could not work for consumers or lenders or both.

The result has been more consumers turning to unlicensed lenders on the Internet with no protections. Ms. Buck details some of the painful results.

We applaud the DBO for its tireless work in fighting this problem. At the same time, we urge lawmakers to create a legitimate program for small dollar credit, with rates and terms that can truly work in the marketplace for both consumers and lenders.

California's consumers will surely continue to need and obtain credit. If the state does not finally create a practical, legitimate program with terms that can succeed, many of those consumers may have little option but the risky situations Ms. Buck describes.

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About CalCFA: The California Consumer Finance Association (CalCFA) is committed to providing consumers access to a variety of choices for legitimate, regulated short-term consumer loans and financial services. CalCFA members include some of the leading providers of short-term credit and financial services in California and across the country. (www.calcfa.com)

Common Sense Financial Tips

Avoid Future Money Problems:

- Create a budget (list all sources of income and all monthly expenses, including total owed).
- Prioritize your debts (pay most expensive interest rates first); cut all unnecessary expenses.
- Build up a rainy day fund by setting aside a small amount per paycheck in a savings account. Get into the habit of making regular deposits.
- Contact a local consumer credit counseling service for help developing a monthly budget or a debt repayment plan with creditors.

Online Payday Loans: CAUTION!

The Department strongly urges consumers to verify a lender is licensed before sharing personal information. You can verify licensure by checking www.dbo.ca.gov or calling 1-866-275-2677.

- Unlicensed lenders may illegally collect from your bank account directly without your permission, even if you are unable to repay the loan.
- You might be illegally charged an interest rate far higher than California law allows.
- Unlicensed Internet payday lenders might sell or pirate personal financial information.
- Lenders may be operating out-of-state or offshore, making it hard to track them down and recover your lost funds if they violate the law.

If you wish to file a formal complaint against an unlicensed lender, visit www.dbo.ca.gov and submit a Consumer Complaint Form with the Department of Business Oversight.

TOLL-FREE 1-866-275-2677

CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

DEPARTMENT OF BUSINESS OVERSIGHT

State of California
Business, Consumer Services and Housing Agency

What You Need to Know About Payday Loans



Contact the California Department of Business Oversight to check the licensing status of a payday lender, history of disciplinary actions against a payday lender or to file a complaint against a payday lender.

For additional copies of this publication, please e-mail your request to forms@dbo.ca.gov

CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

Toll-Free 1-866-275-2677
TTY 1-800-735-2922

www.dbo.ca.gov



EL 79293350
John W. Snow
Secretary of the Treasury
DEPARTMENT OF
BUSINESS OVERSIGHT

State of California
Business, Consumer Services and Housing Agency

What is a Payday Loan?

Payday loans are also called “cash advances” or “deferred deposits.” With a payday loan, a borrower writes a check to a lender in exchange for a short-term cash loan. For example, a borrower writes a \$300 check, pays the \$45 fee, and receives \$255 in cash. The lender does not cash the check until the borrower’s next payday, up to 31 days.

Fees for Payday Loans:

Under California law, the maximum loan amount a consumer can borrow in a payday loan is \$300. The maximum fee a payday lender can charge is 15% of the face amount of the check (up to a maximum of \$45). Additional fee restrictions apply for military servicemembers and their dependents.

A 15% fee is equivalent to an annual percentage rate (APR) of 460% for a two-week loan. By comparison, a loan for a new car generally has an APR of between four and seven percent.

APR is the total annual interest rate that a borrower pays on a loan, including all fees and charges. APR is used to reveal the total cost of borrowing money.

If You Take Out a Payday Loan:

Borrow only as much as you can afford to pay back in full on your next payday. On the loan due date, some borrowers find they cannot afford to pay back the loan. Borrowers are encouraged **not** to take out a second loan from another payday lender to repay the first, as this can lead to a cycle of debt from which it will be expensive and difficult to recover.

Loans to Military Members and their Dependents:

Because of recent changes in federal and California law that restrict payday loan fees for military servicemembers and their dependents, some payday lenders may choose not to make loans to servicemembers and their dependents.

California Laws Protect You:

- In California, all payday lenders - whether a storefront or online - must be licensed by the Department of Business Oversight if they are going to do business in the state. Visit the Department’s website to verify a lender’s license.
- A payday lender may only make you **one** loan (which cannot exceed \$300), and may only charge a **maximum fee** of 15% of the total amount of the check (up to \$45). Additional fee restrictions apply for military servicemembers.
- Payday lenders must post their California license and a fee schedule at every location.
- A payday lender **cannot** make you a new loan to pay off an existing loan.
- A payday lender **cannot** make you a new loan while an existing loan is outstanding, even if the combined balance of the existing loan and the new loan does not exceed \$300.
- If your check bounces, the payday lender may charge only **one** bounced check fee (up to \$15). (Be aware - your bank may charge you additional fees for insufficient funds.)
- Additional fees **cannot** be charged if you request an extension of time or payment plan. However, the payday lender is not legally required to grant your request.
- By law, the contract for a payday loan **must** be provided to you in the language you primarily used to negotiate with the lender.
- A payday lender **cannot** threaten to prosecute you in criminal court for insufficient funds.
- You may also have other legal protection under California law. If you need help or suspect violations of the law, please contact the Department of Business Oversight.

If You Have Credit Problems:

Call your creditors and ask to waive late fees, reduce the interest rate, and/or work with you to establish a re-payment schedule that will work for you.

If you have missed bill payments or have other credit troubles, you may benefit from the services of a financial counselor. Counselors help review your entire financial situation and help you develop a personalized money management plan. Be aware — just because a debt management agency claims to be “non-profit” doesn’t guarantee the services are legitimate or affordable.

A reputable agency should send you free information without requiring you to provide any personal details. Look for a range of services, including budget counseling and savings and debt management classes. Avoid any that push a debt management plan as your only option before they analyze your financial situation.

Visit the **National Foundation for Credit Counseling (NFCC)** website www.nfcc.org or call Toll-Free **1-800-388-2227** for assistance with credit problems and creditors.

If You Are Facing Bankruptcy:

Recent Federal law requires mandatory credit counseling before you can declare bankruptcy. Go to: <http://www.consumer.ftc.gov/articles/0224-filing-bankruptcy-what-know> for help and information about Credit Counseling.

The U.S. Department of Justice Trustee Program approves organizations to provide mandatory counseling *before* you can declare bankruptcy and mandatory debtor education *after* you declare bankruptcy.

Go to: <http://www.justice.gov/ust/eo/bapcpa/ccde/> to find an approved organization near you.

Consejos financieros de sentido común

Evite problemas de dinero en el futuro:

- Haga un presupuesto (enumere todas las fuentes de ingresos y todos los gastos mensuales, incluido el total de sus deudas).
- Dé prioridad a sus deudas (pague las tasas de interés más caras primero); elimine todos los gastos innecesarios.
- Cree un fondo de emergencia guardando una pequeña cantidad de cada cheque de pago en una cuenta de ahorros. Adquiera el hábito de hacer depósitos con regularidad.
- Contacte un servicio local de asesoramiento en créditos para obtener ayuda para hacer un presupuesto mensual o un plan de pago con sus acreedores.

Préstamos de día de pago en línea:

¡PRECAUCIÓN!

El departamento pide urgentemente a los consumidores que verifiquen que un prestamista cuente con una licencia antes de compartir su información personal. Puede verificar la licencia en el sitio www.dbo.ca.gov o llamando al 1-866-275-2677.

- Es posible que los prestamistas sin licencia retiren dinero directamente de su cuenta bancaria de manera ilegal y sin su permiso, incluso si usted no puede pagar el préstamo.
- Podrían cobrarle ilegalmente una tasa de interés mucho más alta que las leyes de California permite.
- Los prestamistas de día de pago por Internet sin licencia pueden vender o piratear su información financiera personal.
- Es posible que los prestamistas operen fuera del estado o en el extranjero, por lo que puede ser difícil rastrearlos y recuperar sus fondos perdidos si violan la ley.

Si desea presentar una queja formal contra un prestamista sin licencia, visite www.dbo.ca.gov y presente un Formulario de queja del consumidor ante el Departamento de Supervisión de Empresas.

LLAMADA GRATUITA 1-866-275-2677

CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

DEPARTMENT OF BUSINESS OVERSIGHT

State of California
Business, Consumer Services and Housing Agency

Lo que usted necesita saber sobre Los Préstamos de Día de Pago



Comuníquese al Departamento de Supervisión de Empresas de California (California Department of Business Oversight) para comprobar el estado de la licencia de un prestamista de día de pago, consultar el historial de acciones disciplinarias contra un prestamista de día de pago o presentar una queja contra un prestamista de día de pago.

Para obtener copias adicionales de esta publicación, envíe una solicitud por correo electrónico a forms@dbo.ca.gov

CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

Llamada gratuita 1-866-275-2677

TTY 1-800-735-2922

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EL 79293350
John W. S...
Department of the Treasury
DEPARTMENT OF
BUSINESS OVERSIGHT

State of California
Business, Consumer Services and Housing Agency

¿Qué es un préstamo de día de pago?

Los préstamos de día de pago también se conocen como "adelantos de efectivo" o "depósitos diferidos". Con un préstamo de día de pago, el prestatario escribe un cheque a nombre de un prestamista a cambio de un préstamo de dinero en efectivo a corto plazo. Por ejemplo, un prestatario escribe un cheque por \$300, paga una tarifa de \$45 y recibe \$255 en efectivo. El prestamista cobra el cheque el próximo día de pago del prestatario, hasta 31 días después.

Las tarifas de los préstamos de día de pago:

De acuerdo con las leyes de California, el monto máximo que un consumidor puede pedir en un préstamo de día de pago es \$300. La tarifa máxima que puede cobrar un prestamista es el 15% del monto del cheque (hasta un máximo de \$45). Se aplican restricciones adicionales para los préstamos a los miembros del servicio militar y sus dependientes.

Una tarifa del 15% es equivalente a una tasa anual de intereses (annual percentage rate, APR) del 460% para un préstamo de dos semanas. En comparación, un préstamo para un automóvil nuevo por lo general tiene una APR de entre el cuatro y el siete por ciento.

APR es la tasa anual de intereses total que un prestatario paga por un préstamo, incluidos todos los cargos y tarifas. APR se usa para revelar el costo total de pedir dinero prestado.

Si usted pide un préstamo de día de pago:

Pida prestado sólo lo que puede pagar en su totalidad en su próximo día de pago. Algunos prestatarios se dan cuenta de que no pueden pagar el préstamo cuando llega la fecha de vencimiento del préstamo. Se recomienda a los prestatarios **no** sacar un segundo préstamo de otro prestamista de día de pago para pagar el primero, ya que esto puede llegar a un ciclo de deudas costosas y difícil de recuperar.

Préstamos a miembros del servicio militar y sus dependientes:

Debido a los cambios recientes en las leyes federales y de California que limitan las tarifas de los préstamos de día de pago para los miembros del servicio militar y sus dependientes, es posible que algunos prestamistas de día de pago decidan no conceder préstamos a los miembros del servicio militar y sus dependientes.

Las leyes de California lo protegen:

- En California, todos los prestamistas de día de pago, ya sea en un local físico o en línea, deben contar con una licencia autorizada por el Departamento de Supervisión de Empresas para poder hacer negocios en el estado. Visite el sitio web del departamento para verificar la licencia de un prestamista.
- Un prestamista de préstamo de día de pago sólo puede hacerle **un** préstamo (que no puede ser superior a \$300), y sólo puede cobrar un **costo máximo** de 15% del importe total del cheque (hasta \$45). Se aplican restricciones adicionales sobre la comisión para los miembros de las fuerzas militares.
- Los prestamistas deben mostrar su licencia de California y una tabla de tarifas en todas las ubicaciones.
- Un prestamista de día de pago **no puede** darle un nuevo préstamo para pagar un préstamo existente.
- Un prestamista de día de pago **no puede** darle un nuevo préstamo mientras exista un préstamo pendiente, incluso si el saldo combinado del préstamo existente y el nuevo préstamo no supere los \$300.
- Si su cheque es rechazado, el prestamista sólo puede cobrar **un** cargo por cheque rechazado (hasta \$15). (Tenga en cuenta que su banco puede cobrar cargos adicionales por falta de fondos.)
- **No se le pueden** cobrar cargos adicionales si usted solicita una extensión del plazo o un plan de pago. Sin embargo, el prestamista no tiene la obligación legal de aceptar su petición.
- Por ley, **deben** proporcionarle el contrato del préstamo de día de pago en el idioma que usted haya utilizado principalmente para negociar con el prestamista.
- Un prestamista de día de pago **no puede** amenazar con llevarlo a un tribunal penal por fondos insuficientes.
- Además, es posible que usted tenga otro tipo de protección legal de acuerdo con las leyes de California. Si necesita ayuda o sospecha que se están violando las leyes, comuníquese al Departamento de Supervisión de Empresas.

Si tiene problemas de crédito:

Llame a sus acreedores y pídale perdonar los cargos por pagos atrasados, reducir la tasa de interés o trabajar con usted para establecer un calendario de pago que funcione para usted.

Si tiene pagos de facturas atrasados u otros problemas de crédito, los servicios de un asesor financiero pueden serle útiles. Los asesores le ayudan a revisar su situación financiera en general y le ayudan a desarrollar un plan personalizado de manejo de dinero. Tenga en cuenta que una agencia de gestión de deudas dice ser "sin fines de lucro" esto no garantiza que los servicios sean legítimos o accesible.

Una agencia acreditada debe enviarle información gratuita sin que usted tenga que proporcionar datos personales. Busque una amplia gama de servicios, que incluyan asesoría para elaborar presupuestos y clases sobre ahorros y gestión de deudas. Evite aquellas que insistan en un plan de gestión de deudas como su única opción antes de analizar su situación financiera.

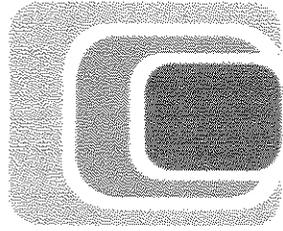
Visite el sitio web de la Fundación Nacional para el Asesoramiento Crediticio (National Foundation for Credit Counseling, NFCC), www.nfcc.org, o llame a la línea gratuita 1-800-388-2227 para obtener ayuda con problemas de crédito y con acreedores.

Si está en riesgo de quedar en bancarrota:

Las leyes federales recientes exigen que reciba asesoramiento crediticio obligatorio antes de declararse en bancarrota. Visite el sitio <http://www.consumer.ftc.gov/articles/0224-filing-bankruptcy-what-know> para obtener información y ayuda acerca del asesoramiento crediticio.

El Programa Fiduciario Federal del Departamento de Justicia de EE. UU. aprueba organizaciones para que proporcionen asesoramiento obligatorio *antes* de que usted pueda declararse en bancarrota y educación obligatoria al deudor *después* de que se declare en bancarrota.

Visite el sitio <http://www.justice.gov/ust/eo/bapcpa/ccde/> para encontrar una organización aprobada cerca de usted.



CALIFORNIA
CONSUMER
FINANCE
ASSOCIATION

Payday Loans in the State of California

- To Get A Payday Advance You Must Have The Following:
 - A checking account (proof of your checking account)
 - Two valid forms of identification (generally a drivers' license or ID and an utility bill)
 - A job or steady income (with two recent paystubs)
- A payday loan is a flat fee per transaction product.
 - **California law mandates:**
 - Stores can charge NO more than 15% of the face amount of the check. The maximum loan of \$255 plus the \$45 fee equals a total of \$300.
 - There are NO accruing interest charges and NO late fees.
 - It is illegal to charge any more than the initial fee.
- How are payday loans regulated?
 - Payday loan companies are regulated by the Department of Business Oversight (DOB) and are subject to audits.
 - Every payday loan store is individually licensed and must abide by federal, state, county and city laws.
 - State law governs payday loan terms, fees, and consumer protection.
- In the State of California ...
 - The vast majority of customers pay back their loan, on time, in two weeks.
 - The average customer earns approximately \$55,000/year and more than half own a home.
 - It is illegal to 'rollover' a loan - a customer cannot take out a new loan to pay off an existing one.
 - Payday loan companies are regulated by the Department of Business Oversight (DOB) and are subject to audits by the DOB every two years
- APR vs. Fee-based Product: (*Federal Truth and Lending Guidelines*) The industry is mandated by the federal government to display Annual Percentage Rate (APR).
 - Though this is only a two-week loan, if amortized (one took out this loan every two weeks for an entire year), it would amount to 391 percent.
 - Under California law, payday lenders are only allowed to charge a one-time upfront fee for a transaction. Compounding interest or late fees are NOT allowed.
- Payday advance compares favorably to many consumer alternatives, even when expressed as annual percentage rates for two-week terms:
 - \$100 payday advance with \$15 fee is 391% APR.;
 - \$100 bounced check with \$54.87 NSF/merchant fee is 1431% APR;
 - \$100 credit card balance with \$37 late fee is 965% APR;
 - \$100 utility bill with \$46.16 late/reconnect fees is 1203% APR;
 - \$100 off-shore Internet payday advance with \$25 fee is 651.79% APR;
 - \$29 overdraft fee on \$100 is 755%.
- How Do Payday Lenders Compare As Employers?
 - The entry-level employee makes between \$10-15/hour - offering employees full medical insurance and 401k options.



City Council Report

Item: 10.
Category: New Business
Meeting Date: January 5, 2016

**TITLE: Resolution on Homelessness in the County of Santa Clara
(Resolution/Roll Call)**

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution finding that the problem of homelessness in Santa Clara County constitutes a crisis.

BACKGROUND

In February 2015, the Santa Clara County Board of Supervisors formed the Housing Task Force of Santa Clara County (Housing Task Force), charged with developing solutions to the immediate housing needs of the homeless families and individuals across Santa Clara County. Mayor Jason Baker, in his capacity as 2015 President of the Cities Association of Santa Clara County (Cities Association), served as a member on this Task Force.

The Housing Task Force focused on developing interim and permanent housing units, a system of care, and long-term housing policy. The work of the Task Force led to a Resolution declaring homelessness a crisis and a call for local municipalities to consider a menu of strategies for implementation within their own communities, to provide affordable housing and reduce homelessness. This resolution was unanimously adopted by the Housing Task Force in October, 2015 and by the Cities Association in November, 2015.

DISCUSSION

Attachment 2 of this Council Report was presented to City staff at the request of the Housing Task Force and Cities Association. In recognition that homelessness impacts every City in Santa Clara County, their resolution is described as a "tool that provides a regional framework and ensures countywide actions are coordinated and continue throughout the region within our communities." The recitals in the resolution ask that all

cities in the County consider a range of public policy and revenue measures in support of affordable housing development, some of which the City has already formally adopted. Below is a table outlining the recommended actions in the Resolution, and a brief description of the City's prior or existing actions related to each item.

Recommended Action	Current or Prior City Action (if any)
Adopt Inclusionary Housing Ordinance.	City has an existing ordinance.
Impact Fees <ul style="list-style-type: none"> • Residential • Commercial Linkage 	Undergoing a Nexus Study to review these types of fees. Study findings are expected in July, 2016.
Ballot measures that would earmark funding within the measure.	Not applicable.
Prioritization of surplus land for affordable housing development.	Not applicable.
Zoning actions <ul style="list-style-type: none"> • Second Unit Ordinance • Constructions of micro-units of 200-400 square feet • Protecting naturally affordable existing housing • Incentivizing affordable housing via zoning benefits 	<ul style="list-style-type: none"> • The Housing Element 2015-2023, includes goals to preserve the City's existing affordable housing stock. • Council has previously expressed interest in creating policies to encourage the development of micro-units. • Existing Density Bonus Ordinance provides incentives for building affordable housing.
Use of Boomerang funds.	During the development of FY 2014-15 budget, Council pledged \$250,000 for future funding of affordable housing.
Adoption of a Community Plan to End Homelessness.	In July 2015, the City Council adopted a resolution supporting Destination: Home Community Plan to End Homelessness 2015-2020.

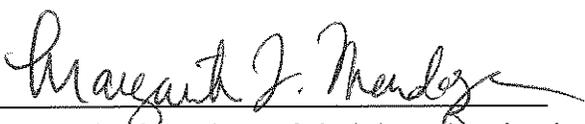
Staff recommends that the City Council adopt Attachment 1, which customizes the Housing Task Force's resolution to reflect Campbell's prior or current policy work on homelessness.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of the attached Resolution. Should the City Council direct staff to conduct further work related to specific actions outlined in the Resolution, staff will present those anticipated fiscal impacts at that time.

ALTERNATIVES

1. Do not support the attached resolution.
2. Provide other direction to staff.

Prepared by: 
Margarita Mendoza, Administrative Analyst

Reviewed by: 
Al Bito, Deputy City Manager

Approved by: 
Mark Linder, City Manager

Attachments:

1. Draft resolution of the City of Council of the City of Campbell finding that the problem of homelessness in Santa Clara County constitutes a crisis.
2. Resolution of the Housing Task Force of the County of Santa Clara, adopted October 9, 2015.
3. Letter from the Housing Task Force of the County of Santa Clara, dated December 10, 2015.
4. Letter from the Cities Association of Santa Clara County, dated December 11, 2015.

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF CAMPBELL FINDING THAT THE
PROBLEM OF HOMELESSNESS IN SANTA CLARA COUNTY
CONSTITUTES A CRISIS**

WHEREAS, the Santa Clara County Board of Supervisors created the Housing Task Force for the purpose of identifying solutions to the immediate housing needs of homeless families and individuals across Santa Clara County; and

WHEREAS, the 2015 Santa Clara County Point-In-Time Homeless Census & Survey found that there are 6,556 homeless persons living within the County, and that 63% of them have been homeless for one year or more; and

WHEREAS, the U.S. Department of Housing and Urban Development's 2014 Annual Homeless Assessment Report found that, among the 48 Major City Continuums of Care in the United States, Santa Clara County has the third largest number of chronically homeless persons, the fourth largest number of homeless individuals, the fourth largest number of unaccompanied homeless youth and the fifth largest number of homeless veterans; and

WHEREAS, the Homeless Census & Survey found that 39% of homeless individuals within the County suffer from psychiatric or emotional conditions, 38% struggle with drug or alcohol abuse, 30% have a physical disability, 25% suffer from post-traumatic stress disorder, 22% have chronic health problems, and 63% have been homeless for one year or more; and

WHEREAS, according to research published in the New England Journal of Medicine, the average life expectancy for individuals experiencing homelessness is 25 years less than those in stable housing; and

WHEREAS, the 2015 Home Not Found study revealed that, of the 511 homeless people within the study's survey population who died between 2007 and 2012, 54% of them died outside of a hospital or other institutional setting; and

WHEREAS, the Home Not Found study also demonstrated that the cost of providing services to homeless residents, including services in the health care and criminal justice systems, averaged \$20 million per year over the six-year study period, or \$3.1 billion over the entire period; and

WHEREAS, in addition to impacting the lives of homeless residents, homelessness also poses challenges for residents and businesses located near homeless encampments; and

WHEREAS, in August 2015, the San Jose Mercury News reported that the average monthly rent in Santa Clara County had reached \$2,552, making it one of the most expensive rental markets in the nation; and

WHEREAS, the 2014-2020 Regional Housing Needs Allocation identifies the need for 9,542 new Low Income units and 16,158 Very Low Income units within Santa Clara County; and

WHEREAS, Destination: Home's Community Plan to End Homelessness in Santa Clara County relies upon the "Housing First" model, which "centers on providing people experiencing homelessness with housing as quickly as possible;" and

WHEREAS, the Affordable Housing Funding Landscape & Best Practices white paper found that due to the dissolution of redevelopment agencies in California and cuts to federal programs, affordable housing funding in Santa Clara County decreased from \$126 million in 2008 to \$47 million in 2013; and

WHEREAS, the Homeless Census & Survey found that 93% of homeless people surveyed answered "Yes" when asked if they would want affordable permanent housing, were it available.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAMPBELL:

1. The problem of homelessness in Santa Clara County constitutes a crisis. It imposes unacceptable costs, both in terms of public resources and human suffering, and requires an urgent response from public officials across Santa Clara County.
2. The solution to the problem of homelessness is to provide homeless individuals with permanent affordable housing or supportive housing. Construction of an adequate supply of affordable housing will require the creation of new local funding sources. These funding efforts will be most successful if implemented consistently across all of the County's fifteen cities.
3. In the interest of promoting a consistent approach to affordable housing funding in Santa Clara County, the City of Campbell has implemented the following:
 - a. Inclusionary Zoning – In 2006, the City Council adopted the City's Inclusionary Housing Ordinance which requires that residential development projects with ten or more units provide 15% of the units at below market rates.
 - b. Affordable Housing Impact Fee Nexus Study – Authorized by the City Council in July 2015, the Nexus Study will generally quantify the connection between construction of new residential and commercial buildings, employment resulting from serving the new development, and the need for affordable

housing. The Nexus Study will analyze two types of impact fees: residential and commercial linkage.

- c. Housing Density Ordinance - Provides incentives to developers that agree to construct a specified percentage of housing units for lower income households, very low income households, or senior citizens.

- d. In July 2015, the City Council adopted a resolution supporting the Destination: Home Community Plan to End Homelessness 2015-2020.

PASSED AND ADOPTED this 5th day of January, 2016 by the City Council of the City of Campbell, California, as follows:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk

**RESOLUTION OF THE HOUSING TASK FORCE
OF THE COUNTY OF SANTA CLARA
FINDING THAT THE PROBLEM OF HOMELESSNESS IN SANTA CLARA
COUNTY CONSTITUTES A CRISIS AND URGING JURISDICTIONS WITHIN
THE COUNTY TO CONSIDER POLICY OPTIONS FOR FUNDING
AFFORDABLE HOUSING FOR THE PURPOSE OF HOUSING THE
HOMELESS**

WHEREAS, the Santa Clara County Board of Supervisors, at the recommendation of Supervisor Dave Cortese, created the Housing Task Force for the purpose of identifying solutions to the immediate housing needs of homeless families and individuals across Santa Clara County; and

WHEREAS, the 2015 Santa Clara County Point-In-Time Homeless Census & Survey found that there are 6,556 homeless persons living within the County, and that 63% of them have been homeless for one year or more; and

WHEREAS, the U.S. Department of Housing and Urban Development's 2014 Annual Homeless Assessment Report found that, among the 48 Major City Continuums of Care in the United States, Santa Clara County has the third largest number of chronically homeless persons, the fourth largest number of homeless individuals, the fourth largest number of unaccompanied homeless youth and the fifth largest number of homeless veterans; and

WHEREAS, the Homeless Census & Survey found that 39% of homeless individuals within the County suffer from psychiatric or emotional conditions, 38% struggle with drug or alcohol abuse, 30% have a physical disability, 25% suffer from post-traumatic stress disorder, 22% have chronic health problems, and 63% have been homeless for one year or more; and

WHEREAS, according to research published in the New England Journal of Medicine, the average life expectancy for individuals experiencing homelessness is 25 years less than those in stable housing; and

WHEREAS, the 2015 Home Not Found study revealed that, of the 511 homeless people within the study's survey population who died between 2007 and 2012, 54% of them died outside of a hospital or other institutional setting, which means that they died "quite possibly on the street;" and

WHEREAS, the Home Not Found study also demonstrated that the cost of providing services to homeless residents, including services in the health care and criminal justice systems, averaged \$520 million per year over the six-year study period, or \$3.1 billion over the entire period; and

WHEREAS, in addition to impacting the lives of homeless residents, homelessness also poses challenges for residents and businesses located near homeless encampments; and

WHEREAS, in August 2015, the San Jose Mercury News reported that the average monthly rent in Santa Clara County had reached \$2,552, making it one of the most expensive rental markets in the nation; and

WHEREAS, the 2014-2020 Regional Housing Needs Allocation identifies the need for 9,542 new Low Income units and 16,158 Very Low Income units within Santa Clara County; and

WHEREAS, Destination: Home's Community Plan to End Homelessness in Santa Clara County relies upon the "Housing First" model, which "centers on providing people experiencing homelessness with housing as quickly as possible;" and

WHEREAS, the Affordable Housing Funding Landscape & Best Practices white paper found that due to the dissolution of redevelopment agencies in California and cuts to federal programs, affordable housing funding in Santa Clara County decreased from \$126 million in 2008 to \$47 million in 2013; and

WHEREAS, the Homeless Census & Survey found that 93% of homeless people surveyed answered "Yes" when asked if they would want affordable permanent housing, were it available.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING TASK FORCE OF THE COUNTY OF SANTA CLARA:

1. The problem of homelessness in Santa Clara County constitutes a crisis. It imposes unacceptable costs, both in terms of public resources and human suffering, and requires an urgent response from public officials across Santa Clara County.
2. The solution to the problem of homelessness is to provide homeless individuals with permanent affordable housing or supportive housing. Construction of an adequate supply of affordable housing will require the creation of new local funding sources. These funding efforts will be most successful if implemented consistently across all of the County's fifteen cities.
3. In the interest of promoting a consistent approach to affordable housing funding in Santa Clara County, the Housing Task Force recommends that all cities in the County (and other jurisdictions, where applicable) conduct their own analysis of the following measures for funding affordable housing, and formally consider whether to adopt them:
 - a. Inclusionary Zoning – Inclusionary zoning requires that developers include a percentage of below market rate units for low to moderate income households in new market-rate, for-sale residential developments.
 - b. Affordable Housing Impact Fees – Impact fees are charged to developers to mitigate the projected impacts of new market-rate developments on the need for affordable housing. The first step for jurisdictions considering an impact fee is

often to conduct a nexus study to quantify the impact of new development on housing need. There are two types of impact fees:

- i. Residential Impact Fees are assessed on new rental or for-sale housing development.
 - ii. Commercial Linkage Fees are assessed on new commercial or industrial development.
- c. Ballot Initiatives – Local jurisdictions have the ability to place tax measures on the ballot for voter approval. As jurisdictions consider whether to place tax measures on the ballot for the 2016 election cycle, they should consider including funding for affordable housing within their measures.
- d. Surplus Land – The County, Cities, and other jurisdictions have the ability to prioritize surplus land owned by the jurisdiction for affordable housing development, thereby facilitating affordability by reducing or eliminating land costs.
- e. Zoning Actions – Cities can take various zoning actions to encourage production of both deed-restricted affordable housing and “naturally” affordable housing, including:
- i. Adoption of a second unit ordinance that enables homeowners to build secondary residential structures on existing lots.
 - ii. Allowing the construction of micro-units of 200-400 square feet that are relatively more affordable than other market rate units.
 - iii. Protecting naturally affordable existing housing, such as mobile home parks. Cities can govern the conversion of mobile home parks through policy, ordinance, or their general plans. In the event parks do convert, cities can adopt replacement housing provisions that would require that displaced inhabitants be fairly compensated, that replacement housing be made available to displaced residents and that an affordable housing component be required as part of the development plan for the converted site.
 - iv. Incentivizing affordable housing by offering zoning benefits, such as increased density or height or decreased parking requirements, to make the production of affordable housing more economically viable.
- f. Boomerang Funds – Boomerang funds are former Redevelopment Agency funds that return to the County, cities and other local jurisdictions. Cities should consider whether to commit 20% of their ongoing boomerang funds to affordable

4. The Housing Task Force requests that all cities in Santa Clara County, the Santa Clara County Cities Association, other involved governmental jurisdictions, and other organizations participating in the work of the Task Force bring this resolution before their governing boards for adoption, thereby joining together to acknowledge the crisis of homelessness and pursue consideration of the above strategies, with the goal of ending homelessness in Santa Clara County.

PASSED AND ADOPTED by the Housing Task Force of the County of Santa Clara, State of California, on October 9, 2015, by the following vote:

AYES: BAKER, BEALL, CHAVEZ, FIELD, GUERRA, HARASZ, MAHOOD, ROCHA, WALKER, WASSERMAN, ZWICK.

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE



BEN FIELD, Co-Chairperson
Housing Task Force of the County of Santa Clara



MATT MAHOOD, Co-Chairperson
Housing Task Force of the County of Santa Clara

ATTEST:



MEGAN DOYLE
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:



ORRY P. KORB
County Counsel

County of Santa Clara

Office of Supportive Housing

3180 Newberry Dr. Suite 150
San Jose, CA 95118
(408) 793-0550 Main
(408) 266-0124 Fax



December 10, 2015

Mr. Mark Linder
City Manager
City of Campbell
70 N. First St.
Campbell, CA 95008

RE: Resolution of the Housing Task Force of the County of Santa Clara

Dear Mr. Linder,

On behalf of the members of the County's Housing Task Force, we request your support in addressing the urgent housing needs of homeless men, women and families throughout the county. Specifically, we request that your organization bring the attached resolution before its governing board for adoption, thereby joining the County, other cities and agencies in acknowledging the crisis of homelessness and considering one or more strategy to reduce homelessness throughout the county. The resolution was unanimously adopted by the Housing Task Force on October 9, 2015, and the Cities Association on November 12, 2015.

While cities and agencies have varying resources, each organization can play some role in meeting homeless persons' basic needs, preventing homelessness among our most vulnerable populations, and increasing the supply of affordable and supportive housing. By passing the resolution, you will express a continued commitment to work regionally and collaboratively.

Our collective effort is aimed at preventing homelessness whenever possible. When homelessness cannot be prevented, we must work together to ensure that homelessness for an individual or family is rare, brief and non-recurring.

Sincerely,

Ben Field
Co-Chairperson
Housing Task Force of the County of Santa Clara
Clara

Matthew R. Mahood
Co-Chairperson
Housing Task Force of the County of Santa Clara



P.O. Box 1079
Los Gatos, CA 95031
408-766-9534
www.CitiesAssociation.org

December 11, 2015

Dear Campbell City Council Members and City Manager Mark Linder:

On behalf of the Cities Association of Santa Clara County, we request your support in regional coordination towards addressing homelessness and the housing needs of our communities. Homelessness impacts all of our cities; over 6,000 people are homeless across the county on any given night. The average rent is \$2,623 and the average home price exceeds \$1 million. Earlier this year, our Board adopted Homelessness and Affordable Housing as priorities for 2015 with the mutual understanding that regional/governance coordination is needed in order to maximize resources, identify a permanent source of funding for affordable housing, and reduce homelessness across our region.

Cities Association President Jason Baker had the honor of representing the Association on Supervisor Cortese's Housing & Homelessness Task Force this past year. Together with community leaders and stakeholders including SCC Supervisors Mike Wasserman and Cindy Chavez, SJ/SV Chamber of Commerce CEO Matt Mahood, South Bay Labor Council Executive Officer Ben Field, San Jose Council Member Don Rocha, Housing Trust Silicon Valley CEO Kevin Zwick, and State Senator Jim Beall, they focused on developing interim and permanent housing units, a system of care, and long-term housing policy. The Task Force's valuable work led to a Resolution declaring homelessness a crisis and a call for jurisdictions to consider a menu of strategies for agencies to implement within their communities in order to provide affordable housing and reduce homelessness.

We request that the City of Campbell bring forward the attached Resolution before its council for adoption. The Cities Association in November and the County's Housing Task Force in October of 2015 each unanimously adopted the Resolution. The Cities Association values the Resolution as a tool that provides a regional framework and ensures countywide actions are coordinated and continue throughout the region within our communities.

We understand each city is unique, with varying resources, and may opt for a different combination of the tools listed in the Resolution. Each agency can play a role in preventing homelessness and increasing the supply of affordable and supportive housing. By passing the Resolution, you will join neighboring cities and the County in expressing a commitment to work collaboratively across the region.

Thank you for your consideration,

A handwritten signature in black ink that reads "Jason T. Baker". The signature is written in a cursive style with a large initial "J".

Jason Baker
President 2015
Cities Association of Santa Clara County

A handwritten signature in black ink that reads "Raania Mohsen". The signature is written in a cursive style with a large initial "R".

Raania Mohsen
Executive Director
Cities Association of Santa Clara County



City Council Report

Item: 11.
Category: New Business
Date: January 5, 2016

TITLE: REVISED NEIGHBORHOOD ASSOCIATION ASSISTANCE GRANT POLICY

RECOMMENDATION:

That the City Council approve the revised Neighborhood Association Assistance Grant Policy (RESOLUTION / ROLL CALL VOTE).

BACKGROUND:

City Council established a new Neighborhood Association Assistance Grant Policy in FY 2011-12 and delegated oversight to the Civic Improvement Commission (CIC). That same year, City Council began funding the program at an amount of \$2,000 per year. The program was intended to assist Campbell residents and neighborhoods with up to \$500 of grant funding to establish formalized neighborhood associations. The objective was to provide assistance with startup costs associated with establishing neighborhood associations, such as insurance, outreach material, websites, newsletters, block parties and other neighborhood events. The formation of neighborhood associations was viewed as desirable within the community because of its associated benefits of enhancing the quality of life for residents, fostering a mechanism for neighbors to get involved, promoting neighborhood pride by having an established organization of common geographical interest, and deterring crime through neighborhood watch programs.

City Council increased total grant funding to \$3,000 for FY 2014-15 due to a strong response from neighborhood associations applying for grants.

Attached to this report is the revised Neighborhood Association Assistance Grant program policy revising Section 1.28 of the Council Policy. This revised policy was developed following feedback from the City Council and the Civic Improvement Commission at the Joint Study Session held on September 1, 2015, as well as the ensuing Civic Improvement Commission's regular meeting on October 8, 2015. The revised policy also reflects feedback from leaders of various neighborhood associations during the CIC's Study Session on December 10, 2015.

The revised policy encourages prospective neighborhood associations and more residents to start neighborhood associations in the interest of realizing the policy's mission and goals. Prospective neighborhood associations will be given a 12-month period to meet the aforementioned requirements to allow them time to be eligible for future grant opportunities.

DISCUSSION:

The December 10th CIC Study Session discussed concerns from neighborhood association representatives regarding proposed eligible and ineligible activities and items using grant funds. Specifically, neighborhood representatives expressed concern that obtaining insurance policies for regular meetings, board meetings and special events via United Neighborhoods of Santa Clara County (UNSCC) were cost prohibitive and contained multiple coverage exclusions.

The CIC concluded that neighborhood associations should be allowed to purchase insurance policies from other carriers, as well as UNSCC for regular meetings, board meetings and special events at their own discretion to control costs and best serve their fellow neighbors.

In addition, the CIC asked City staff to move the following "Ineligible Activities and Items" to the list of "Eligible Activities and Items" for grant funding:

1. Facility use fees for regular association meetings
2. Ongoing bank fees
3. Routine operating expenses

One neighborhood leader supported these expenses saying it would otherwise be difficult to convince association members to pay for an association's operational costs when members do not see tangible benefits to their contributions, especially when neighborhood association members do not pay dues.

Following these revisions, CIC asked City staff to strike all remaining language under "Ineligible Activities and Items" to make the policy more comprehensible and better defined.

The FY 2016 Neighborhood Association Assistance Grant applications were released on October 30, 2015. Five grant applications were received during the application period that ended December 7, 2015. The initial application period was extended from November 30 to allow neighborhood associations more time to submit applications. The revised grant program policy includes a mission statement with clearly defined program and funding goals, as well as a clear definition of a neighborhood association.

Section 1.28.11 entitled "Other Restrictions" addresses conflicts of interest, elected and appointed officials' memberships and dual roles serving neighborhood associations. The CIC and City staff will review applications for eligibility pending Council's support of the attached revised policy. The CIC will award grant funding after the revised policy is approved. As a condition to releasing City funding, grantees will sign an agreement abiding by grant policy requirements.

Grantees will be required to submit documentation of grant fund expenses in the form of an expense report listing the uses and amounts disbursed along with copies of transaction records. Grant fund expenses must match the expenses proposed in the corresponding grant application.

FISCAL IMPACTS:

There are no fiscal impacts associated with the CIC's recommendation for the City Council to approve the recommended changes to the existing Neighborhood Association Assistance Grant Policy. However, the new policy will provide more fiscal accountability and control in managing the grant program

ALTERNATIVES:

1. Do not approve this revised Neighborhood Association Assistance Grant Policy; or
2. Provide other direction to the CIC or staff.

Prepared by: 
Michael Thomas, Graduate Intern

Reviewed by: 
Al Bito, Deputy City Manager

Approved by: 
Mark Linder, City Manager

Attachments:

- 1 - Existing Neighborhood Association Assistance Grant Policy (Council Policy Sec. 1.28)
- 2 - Revised Neighborhood Association Assistance Grant Policy
- 3 - Resolution

Section 1.28 Neighborhood Association Assistance Grant Program:

The City Council is willing to fund Neighborhood Association Assistance Grants from the City's General Fund, if it can be shown to the City Council or its advisory body, the Civic Improvement Commission, that there are effective ways of providing such neighborhood assistance services at a reasonable cost and at a level of service to provide a meaningful return for the dollars spent.

Members of the City Council and the Civic Improvement Commission shall not serve on boards of directors of neighborhood associations to which City funding is provided.

City employees shall not serve on boards of directors of neighborhood associations for which they recommend funding.

Neighborhood association assistance grant funds shall not be used for political purposes.

This policy does not preclude any Councilmember, Civic Improvement Commissioners, or City staff from attending meetings of these neighborhood associations as an observer.

Grant awardees shall maintain expense receipts associated with the City's grant funds and shall be prepared to furnish such documentation upon request in order to be considered for future funding.

Procedure for Neighborhood Association Assistance Grant Program:

The Civic Improvement Commission is the designated hearing body for the Neighborhood Association Assistance Grant Program. The City Manager's Office is designated to perform the initial review of the grant application to ensure that the Neighborhood Association Assistance Grant requirements are met.

The review process usually takes place from December through January. Grant awards are incorporated into the City Manager's recommended budget if funds are available based on the adoption of each fiscal year's budget.

Effective April 2012, the application and funding process will be based on a July 1-June 30 fiscal year cycle and the application forms will reflect that timeframe. The following steps will be followed:

Responsibility	Action
City Manager's Office	Distribute Neighborhood Association Assistance Grant application.

City Manager's Office Staff

Review and analyze Neighborhood Association Assistance Grant Applications. Provide funding recommendations to the Civic Improvement Commission.

Civic Improvement Commission

Hearing body for Neighborhood Association Assistance Grant applications. Review applications and staff recommendations. Approve or deny the requested grant based on available funding.

Section 1.28 Neighborhood Association Assistance Grant Program (Revised)

1.28.1 Mission Statement: The City of Campbell is committed to supporting its citizens by strengthening its neighborhoods. Together the City and its residents can build and maintain a sense of community when neighbors connect with each other on shared interests. In this vein, residents will become actively engaged with each other when they are vested together towards improving the quality of life and shaping the future of their neighborhoods. The City of Campbell can help neighborhoods build a sense of community with the Neighborhood Association Assistance Grant Program (NAAG). The program's goals are to:

- (a) Create unity and build consensus among residents by developing and or renewing neighborhood relationships
- (b) Develop neighborhood based solutions to long-term physical, social and economic issues so residents feel vested in their communities
- (c) Foster and maintain collegial partnerships between Campbell's neighborhoods and the City

The Neighborhood Association Assistance Grant Program provides financial support to offset costs to recognized neighborhood associations related to:

- (a) Building or enhancing neighborhood organization
- (b) Increasing communication among neighbors leading to interaction across culture and age groups
- (c) Activities and projects that address the quality of life, safety, cleanliness and engagement throughout neighborhoods
- (d) Events that enhance neighborhood pride and identity

1.28.2 Definitions:

- (a) A neighborhood association is a voluntarily organized group of residents with defined boundaries within the City of Campbell that collaborates for the benefit of their neighborhood that is formally recognized by the City Council as advised by the City Manager's Office and Civic Improvement Commission (CIC). Business owners or individuals who work, but do not reside within a particular neighborhood are not recognized as part of a neighborhood association.
- (b) Home Owners Associations / Property Owner Associations (HOA) are single-family housing developments, as well as condominium and townhouse complexes that are legal entities in the form of corporations. Due to this designation, HOA's can enforce rules and collect dues via covenants, conditions and restrictions (CC&Rs). Since the aim of a HOA is to maintain a high quality of living, safety and cleanliness already with the collection of dues, HOA's are not considered neighborhood groups and are therefore not eligible for the NAAG Program.

1.28.3 Eligibility: To meet eligibility requirements for consideration of a Neighborhood Association Assistance Grant from the Civic Improvement Commission, your organization must:

- (a) Be an officially recognized neighborhood association with by-laws on file with the City Manager's Office and be an eligible applicant. Eligible applicants would be associations with boards of directors including treasurers
- (b) Considerations will be made for prospective neighborhood associations and newly formed neighborhood associations that may not have established by-laws at the time of application. See Item 8 under "Eligible Applicants" for more details
- (c) Propose and participate in one eligible activity project or event such as National Night Out.
- (d) Sign written agreement to comply with grant requirements

1.28.4 Eligible Applicants: Eligible applicants must be neighborhoods based within City limits that are free of charge and involve resident volunteers living in the applicable neighborhood. The following additional conditions must be met to be considered for grant funding:

- (a) A record of volunteer resident participation at association events and meetings such as sign-up sheets.
- (b) An open bank account in the organization's name at the time of application
- (c) A list of board members with addresses
- (d) A copy of by-laws and / or minutes of last meeting
- (e) Events must take place in the City of Campbell within the geographic area of the neighborhood
- (f) Non-discrimination in membership based on race, gender, religion, national origin, age, disability, sexual orientation or any other status protected by law
- (g) Grant-funded events must be free of charge and open to everyone who is eligible without regard to race, gender, religion, national origin, age, disability, sexual orientation or any other status protected by law
- (h) For neighborhood groups wishing to create new neighborhood associations, a one-year start-up period will exist to enable neighborhood associations to become established. New neighborhood groups will be given a year to comply with items one through four with items five through seven being standing requirements

1.28.5 Ineligible Applicants

- (a) Government agencies
- (b) Not-for-profit businesses and business associations that do not meet the definition of a neighborhood association
- (c) Private for-profit businesses, business associations, neighborhood business districts and corporations
- (d) Homeowner's associations
- (e) Individuals or informal groups that do not meet the definition of a neighborhood association as defined in this policy

1.28.6 Eligible Activities / Items: Eligible activities / items strengthen or build community within the goals of the NAAG program. This may include, but are not be limited to, items / activities such as:

- (a) Newsletters, banners, fliers and advertising
- (b) Neighborhood cleanups and celebrations
- (c) National Night Out (national public safety and community building event held annually)
- (d) Dumpster days
- (e) Public safety activities
- (f) Cultural events
- (g) Community projects involving youth
- (h) Neighborhood association membership fees within Campbell
- (i) Insurance for regular meetings, board meetings and special events
- (j) Association web pages, e-mail service, and domains
- (k) Postal fees and ongoing bank fees
- (l) Facility, entertainment and equipment rental fees and permits for events excluding power tools and vehicles
- (m) Routine operating expenses and ongoing services or programs for regular neighborhood association meetings such facility use fees
- (n) Non-alcoholic beverages and food at neighborhood association meetings or events which are open to the public (closed meetings and events not open at no cost to the neighborhood members are ineligible)
- (o) Refreshments are limited to \$10.00 per person
- (p) Takeout food from restaurants limited to \$10.00 per person
- (q) A sign-in sheet must be available upon request if restaurant receipts are used for reporting. Only takeout food from restaurants is eligible. All food served at restaurants is ineligible
- (r) Special event or neighborhood apparel (price limit \$15 per shirt)

1.28.7 Application Procedure: The City Manager's Office distributes the Neighborhood Association Assistance Grant application.

- (a) Submittal: Applications must be submitted to the City Manager's Office by the listed deadline on the application. No applications will be accepted beyond the deadline.
- (b) Review: The CIC and City Manager's Office will work in concert during the application review process. The Civic Improvement Commission is the designated hearing body for the Neighborhood Association Assistance Grant Program. The City Manager's Office is designated to perform the initial review of the grant application to ensure that the Neighborhood Association Assistance Grant Program requirements are met. City Manager Office staff will review and analyze applications for applicant eligibility and that requested grant funds are proposed for eligible activities, projects, events and items. Specifically, each application will be evaluated based on meeting at least one of the four criteria listed on page one.

The CIC will review eligible applications and staff recommendations. The Commission will either approve or deny the requested grants based on eligibility and available funding. The review process usually occurs during November and December following the application period, unless noted. The application period usually begins in October and lasts at least 30 calendar days. Grant applicants will

be notified by the City Manager's Office staff when the CIC will review applications at a regular meeting at which time applicants may present their grant applications.

1.28.8 Funding Cycle: The application and funding process will be based on a January to December calendar year cycle and the application forms will reflect that time frame. Grant awards are incorporated into the City Manager's recommended budget if funds are available based on the adoption of each fiscal year's budget and distributed in January following signing of a written agreement.

1.28.9 Award Notification and Terms: The City Manager's Office will notify grantees of their award and schedule a time to review and sign an agreement, which includes an explanation of the activities, projects and or events to be funded, as well as terms of the grant. Signing the agreement constitutes grantees agreeing to and abiding by grant policy requirements. Activities, projects and or events must be completed within the 12 month period from January through December. Agreements must be signed and submitted within 10 business days following award notification. Failure to do so will result in forfeiture of grant award. Grant award checks will be issued following receipt of a signed agreement. Grant checks are valid for 90 days from the issue date and must be deposited within this time period. Failure to do so will result in forfeiture of funds to the City.

No extensions to expend grant money will be granted as all eligible activities, projects and events must be completed in the 12-month period ending in December for which grant funding is awarded. Any unused funds will be returned to the City.

1.28.10 Documentation of Expenses: All grant recipients must submit a completed grant expense documentation report listing how grant funds were expensed during the time period stipulated in the signed agreement (January through December of grant year). Copies of documentation in the form of receipts, invoices, purchase orders or other transaction records must be included with the grant expense documentation report. In the event grant funds are not fully expended, they must be reimbursed to the City. Completed grant expense documentation reports must be received by the City Manager's Office either prior to, or by the end of, the funding cycle period.

1.28.11 Other Restrictions: Members of the City Council and the Civic Improvement Commission serving on boards of directors of neighborhood associations to which City funding is provided must disclose such relationships and recuse themselves from hearing and deciding such matters. The table below summarizes the situations when recusal and disclosure protocols apply to elected and appointed officials. City employees shall not serve on boards of directors of neighborhood associations for which they recommend funding.

Neighborhood association assistance grant funds shall not be used for political purposes. This policy does not preclude any Councilmember, Civic Improvement Commissioner, or City staff member from attending meetings of these neighborhood associations either as an observer or as a non-voting member of the neighborhood association. However, none of the aforementioned individuals, if currently serving in said capacities, can serve as board members and / or officers of neighborhood associations.

General Guidelines of Recusal and Disclosure

<i>If an Elected or Appointed Official...</i>	<i>...then he or she should:</i>		
	Recuse	Disclose Relationship	Vote
Resides within the grant applicant's neighborhood only			X
Resides within grant applicant's neighborhood AND is a dues-paying member of the applicant's association	X	X	
Is an unpaid board officer of the applicant's association	X	X	
Has a property interest within 500 feet of a grant-funded project or event OR the grant would affect the Commissioner's personal finances by \$250 or more	X	X	

RESOLUTION NO. _____

**BEING A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMPBELL
APPROVING THE CIVIC IMPROVEMENT COMMISSION'S REVISIONS TO THE
NEIGHBORHOOD ASSOCIATION ASSISTANCE GRANT POLICY**

WHEREAS, the City Council established a new Neighborhood Association Assistance Grant Program in FY 2011/12;

WHEREAS, the City Council held a Joint Study Session with the Civic Improvement Commission on September 1, 2015 to review the implementation and administration of the Grant program to date and to discuss potential improvements to the Council Policy on Neighborhood Association Assistance Grants;

WHEREAS, the Civic Improvement Commission held a Study Session on December 10, 2015, to review and discuss its recommended policy changes with neighborhood association leaders;

WHEREAS, the Civic Improvement Commission has completed its review of the Neighborhood Association Assistance Grant Policy; and

WHEREAS, the Civic Improvement Commission now recommends that the City Council approve the revised Grant Policy.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Campbell does hereby approve the Civic Improvement Commission's revised Council Policy on Neighborhood Association Assistance Grants.

PASSED AND ADOPTED this 5th day of January 2016, by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

Jason T. Baker, Mayor

ATTEST:

Wendy Wood, City Clerk

MEMORANDUM



City of Campbell
City Manager's Department

To: Honorable Mayor and City Council

Date: January 5, 2016

Via: Mark Linder, City Manager

A handwritten signature in black ink, appearing to be "ML", written over the name "Mark Linder".

From: Al Bito, CIC Staff Liaison

A handwritten signature in black ink, appearing to be "AB", written over the name "Al Bito".

Subject: Council Agenda Jan. 5, 2016:
Desk Item #11

For the Council's reference, attached is the current Neighborhood Assistance Grant Application form for FY 2015/16.

Attachment



CITY OF CAMPBELL
NEIGHBORHOOD ASSOCIATION ASSISTANCE GRANT
APPLICATION FORM

FY 2015-16

Applications Due: November 30, 2015

NEIGHBORHOOD ASSOCIATION: _____

YEAR ESTABLISHED: _____

ADDRESS: _____

PHONE: (_____) _____

E-MAIL: _____

WEBSITE: _____

CONTACT NAME: _____

NEIGHBORHOOD AREA
TO BE SERVED: _____

GRANT REQUEST AMOUNT: FY 2015/16: \$ _____ (Maximum \$500.00)

Is your organization:

- PROSPECTIVE NEIGHBORHOOD ASSOCIATION⁺ YES [] No []
- INCORPORATED YES [] No []
- NON-PROFIT YES [] No []
- TAX EXEMPT YES [] No []
- INSURED: Yes [] No []

⁺Prospective neighborhood associations seeking new establishment will be granted a one-year start-up period in which to become established and meet requirements. (See eligible and ineligible applicants and activities for details)

NUMBER OF NEIGHBORHOOD ASSOCIATION MEMBERS OR PROPOSED MEMBERS: _____

Your association's application will be evaluated based on meeting at least one of the following criteria:

1. Build or enhance neighborhood organization, pride or identity;
2. Increase communication among neighbors; or
3. Host activities, projects or events addressing quality of life, safety, cleanliness and engagement among neighbors

Questions marked with (*) are required to be considered for grant funding unless your association is seeking new establishment. If so, please mark the box labeled "Prospective Neighborhood Association."

Does your association feature the following requirements?

*BYLAWS: *If yes, please attach a copy.* Yes [] No []

*AN ACTIVE BANK ACCOUNT: Yes [] No []

*A TREASURER: Yes [] No []

*A BOARD OF DIRECTORS: Yes [] No []

PROSPECTIVE NEIGHBORHOOD ASSOCIATION: []

Please review "Eligible and Ineligible Activities and Items" on pages 3 to 5 in the Neighborhood Association Assistance Grant policy for further assistance when answering the following questions.

ORGANIZATIONAL INFORMATION:

1. Please list your neighborhood association's president and treasurer information in the table below.

President Name	Phone Number	E-mail Address
Treasurer Name		

2. Please list your neighborhood association's officers' names and titles in the table below.

Officer Name	Officer Title

3. Please list, describe and estimate the cost of your proposed grant budget requests.

Item #	Expense or Event Description	Estimated Cost
Total Amount Requested (\$500 Maximum)		

Check here if your organization is an established neighborhood association and complete the information below.

"We, the Board of Directors or designee(s) of _____,
do hereby resolve that on _____, 20 _____, the Board reviewed this
application and, upon motion and vote, approved this application for submission."

Check here if your organization is a prospective neighborhood association. As the undersigned of this application, you certify that your members do not have a governing board of directors and agree to meet requirements in a year as stated in this application and the City's grant policy to be eligible for future consideration of grant funding.

To the best of our knowledge, all information presented herein is correct and complete.

Dated: _____ 20 _____

Neighborhood Association Name

President of the Board or Designee

NOTE: Neighborhood Association Assistance Grant Funds may NOT be used for political purposes. See complete list of eligible and ineligible activities / items at the Civic Improvement Commission's web page: <http://www.cityofcampbell.com/177/Civic-Improvement-Commission>

Thank you for your interest in the Neighborhood Association Assistance Grant Program.
Submit your original signed application to the City Manager's Office in person or by mail by 5:00 PM,
November 30, 2015 to Michael Thomas at Campbell City Hall at 70 N. First Street, Campbell 95008.



City Council Report

Item: 12.
Category: New Business
Meeting Date: January 5, 2016

TITLE: 2016 City Council Meeting Schedule

RECOMMENDATION:

That the City Council review and approve the 2016 City Council meeting schedule as presented.

BACKGROUND:

Pursuant to Campbell Municipal Code Section 2.04.020, meetings of the City Council are regularly held on the first and third Tuesday of each month. At the first Council meeting of each year, staff presents a proposed meeting schedule noting any conflicts that may exist with regularly scheduled meeting dated for the City Council's review and approval.

DISCUSSION:

Attached is the proposed 2016 City Council meeting schedule. Historically, the City Council has cancelled one meeting in July or August for summer recess, and the second meeting in December. The summer date has varied to accommodate individual vacation schedules. Prior to 2013, the second meeting in August was cancelled. In 2013, the first July meeting was cancelled, in 2014, the second July meeting was cancelled, and in 2015 the first meeting in August was cancelled. The proposed schedule suggests that the Council cancel the July 5th meeting, and the December 20th meeting. This item is agenzized to provide an opportunity for Council to discuss the proposed schedule and recommend changes as appropriate.

Some or all Councilmembers may attend the following conferences, the dates of which do not conflict with any regular Council meeting.

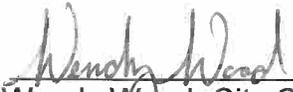
- | | |
|----------------|---|
| March 5-9 | National League Congress Cities Conference, Washington, DC |
| October 5-7 | League of California Cities Annual Conference, Long Beach, CA |
| November 16-19 | National League City Summit (formerly Congress of Cities) Pittsburg, PA |

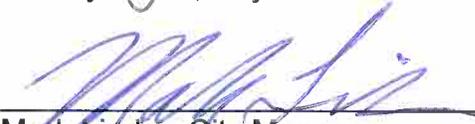
FISCAL IMPACT:

There is no fiscal impact associated with this action.

ALTERNATIVES:

1. Schedule the Council summer recess in August.

Prepared by: 
Wendy Wood, City Clerk

Approved by: 
Mark Linder, City Manager

2016 CITY COUNCIL MEETING DATES

January 5
January 19

February 2
February 16

March 1
March 15

April 5
April 19

May 3
May 17

June 7
June 21

July 19 – Only meeting is July - July 5 meeting cancelled

August 2
August 16

September 6
September 20

October 4
October 18

November 1
November 15

December 6 – Only meeting in December – December 20 meeting cancelled

January 3, 2017



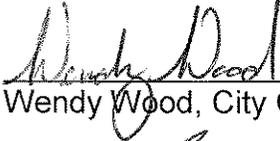
City Council Report

Item:
Category:
Meeting Date:

13.
Council Committee Reports
January 5, 2016

DISCUSSION:

This is the section of the City Council Agenda that allows the City Councilmembers to report on items of interest and the work of City Council Committees. Mayor Baker is in the process of finalizing the committee assignments for 2016. The final list will be distributed as a desk item prior to the January 5th Council meeting.

Prepared by: 
Wendy Wood, City Clerk

Approved by: 
Mark Linder, City Manager

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

Date: January 4, 2016

From: Wendy Wood, City Clerk 

Via: Mark Linder, City Manager 

Subject: Desk Item 13 – 2016 Mayor Committee Appointments

Each year, the Mayor appoints individual councilmembers to various city, county, and regional committees. Attached is the list of Mayor Baker's 2016 Committee Appointments.

EXHIBIT A
2015 MAYOR'S COMMITTEE APPOINTMENTS

MAYOR BAKER

Cities Association of Santa Clara County:
Board of Directors
Selection Committee
City Atty. Performance/Comp. Subcommittee
City Clerk Performance/Comp. Subcommittee
City Mgr. Performance/Comp. Subcommittee
County Expressway Policy Advisory Board
County Library District JPA Board of Dir.
*Metropolitan Transportation Commission***
Bay Area Toll Authority
Santa Clara County Operational Area
*Council (Chair)***
*VTA Board of Directors***
West Valley Cities Representative to Silicon
*Valley Interoperability Authority ***
West Valley Mayors and Managers

VICE MAYOR GIBBONS:

Advisory Commissioner Appointment Interview Subcommittee
Campbell Historical Museum & Ainsley House Foundation Liaison
City Atty. Performance/Comp. Subcommittee
City Clerk Performance/Comp. Subcommittee
City Mgr. Performance/Comp. Subcommittee
CDBG Program Committee (County) (Alt.)
Cities Association of Santa Clara County:
Board of Directors (Alt.)
Selection Committee (Alt.)
County Expressway Policy Adv. Board (Alt.)
County Library District JPA Board of Dir. (Alt.)
Downtown Subcommittee
Education Liaison Subcommittee
Finance Subcommittee
Friends of the Heritage Theatre Liaison (Alt.)
Housing Rehabilitation Loan Committee
Legislative Subcommittee
Santa Clara Valley Water District:
County Water Commission (Alt.)
20% Housing Committee (Successor Agency)
West Valley Mayors and Managers (Alt.)

COUNCILMEMBER CRISTINA:

Assn. of Bay Area Governments
Cities Association of Santa Clara County:
ABAG Representative (Alternate)
Economic Development Subcommittee
Santa Clara Valley Water District:
County Water Commission

COUNCILMEMBER KOTOWSKI:

Assn. of Bay Area Governments (Alt.)
CDBG Program Committee (County)
Education Liaison Subcommittee
Friends of the Heritage Theatre Liaison
Housing Rehab Loan Committee (Alt.)
*League of California Cities:***
Community Services Policy Committee
*Recycling Waste Reduction Commission***
Legislative Subcommittee
Silicon Valley Animal Control Authority Board (SVACA) (Alt.)
Valley Transportation Authority Policy Advisory Committee (Alt.)
West Valley Sanitation District
West Valley Solid Waste Authority JPA (Alt.)

COUNCILMEMBER RESNIKOFF:

Advisory Commissioner Appointment Interview Subcommittee
Campbell Historical Museum & Ainsley House Foundation Liaison (Alt.)
Downtown Subcommittee
Economic Development Subcommittee
Education Subcommittee (Alt.)
Finance Subcommittee
Silicon Valley Animal Control Authority Board (SVACA)
20% Housing Committee (Successor Agency)
Valley Transportation Authority Policy Advisory Committee
West Valley Sanitation District (Alt.)
West Valley Solid Waste Authority JPA

****appointed by other agencies / Eff. 02/17/2015**