



MINUTES

PLANNING COMMISSION MEETING

August 5, 2014

The meeting of the El Cajon Planning Commission was called to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE

COMMISSIONERS PRESENT: Paul CIRCO, Chairman
 Adel DANKHA
 Luis HERNANDEZ
 Anthony SOTTILE

COMMISSIONERS ABSENT: Darrin MROZ, Vice Chairman

STAFF PRESENT: Anthony Shute, Planning Manager / Planning Commission Secretary
 Barbara LUCK, Assistant City Attorney
 Eric CRAIG, Assistant Planner
 Patricia HAMILTON, Secretary

CIRCO explained the mission of the Planning Commission.

CONSENT CALENDAR

Motion was made by SOTTILE, seconded by CIRCO, to adopt the minutes of the Planning Commission meeting of July 15, 2014; carried 3-0 (Hernandez abstained).

PUBLIC HEARING ITEMS

Agenda Item:	2
Project Name:	Secondhand Merchandise Stores and Alternative Lending
Request:	Consider new regulations addressing the purchase or sale of secondhand merchandise and alternative lending
CEQA Recommendation:	Exempt
STAFF RECOMMENDATION:	RECOMMEND CITY COUNCIL APPROVAL
Project Number(s):	Amendment of Zoning Code No. 425
Location:	Citywide
Applicant:	City of El Cajon
Project Planner:	Melissa Devine; 619-441-1742; mdevine@cityofelcajon.us
City Council Hearing Required?	Yes August 12, 2014

Recommended Actions:	<ol style="list-style-type: none"> 1. Conduct the public hearing; and 2. MOVE to adopt the next resolution in order recommending City Council approval of proposed Code Amendments
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SHUTE summarized the agenda report in a PowerPoint presentation. He noted that alternative lending information was provided for the Commissioners to review along with over 100 petitions in opposition of the proposed Ordinance.

CIRCO opened the public hearing and invited any speakers to the podium.

Trent MATSON, Director of Government Affairs for Moneytree, approached the podium. He applauded staff’s work, however, was in opposition to the proposed code amendment. The small businesses that offer alternative lending and check cashing services is regulated both by the State and nationally. In a poll recently taken of 1,000 payday borrowers, 95% were overall happy with their experience and the benefits associated with this option. Alternative lenders also add the benefit of security, in a short timeframe, to those who need help to pay bills without higher costs associated with bouncing a check, paying overdraft protection fees or late payment penalties. If the benefit of alternative lending is removed, it could affect the quality of life for many.

SOTTILE added that having unlimited payday stores would be of benefit in the community, and asked MATSON what limit he would put on the number of stores.

MATSON answered the number would be determined by supply and demand, that the market demand would determine the number of stores. When supply is limited, people may go to illegal on-line providers, for example.

Mark MCDONALD, representing Dollar Smart Money Centers, spoke next. He said that they provide a variety of financial options and products. Their businesses are located close to banks, which offer similar but different benefits. All their customers have accounts with banks. For example, a customer may come in to cash a paycheck after banking hours, and then go to their bank the next day. He asked why there was a distance requirement to schools, since adults are the only ones that use their services.

HERNANDEZ asked what the longest term of the loans they provide is.

MCDONALD answered it is 31 days.

SOTTILE asked if clients were repeat clients on a monthly basis, or do they receive many new customers.

MCDONALD responded it varies. Check cashing customers are usually repeat customers, whereby payday loan clients are less frequent since they are designed for short term loans.

Sophia GARCIA, Advance America, California Consumer Finance Association, spoke next. She was in opposition to the proposed change of the 1,320 foot distance requirements from alternative lenders, banks and credit unions. All payday lenders have checking accounts and are located in close proximity to banks. She suggested an exemption of the quarter mile be transferred to 500 feet between other businesses. Alternative lenders are much needed by residents in El Cajon as shown by the over 100 signed affidavits opposing the proposed zoning code ordinance relating to payday lending establishments.

Vanessa LUGO, representing Check Into Cash, advised they have one store in El Cajon on Broadway and that

they are regulated by both the state and federal level. Her two objections to the proposed amendment were 1) the quarter mile distance requirement, and 2) if natural disaster, could not re-establish store.

Gary FELDMAN, El Cajon Jewelry and Loan, approached the podium and spoke last. He noted that no operational hours were included in the amendment, and that a store shouldn't be open much later than 8:00 p.m. There is no reason for a store to be open to 10:00 or 11:00 p.m. at night. He was in agreement with the proposed controls in the amendment.

SHUTE advised that there are proposed hours of operation in Title 5 for businesses to close at either 8:00 or 9:00 p.m. at night and it will go to the City Council for approval.

Motion was made by CIRCO, seconded by HERNANDEZ, to close the public hearing; carried 4-0.

SOTTILE asked staff what was the reasoning behind the quarter mile distance between alternative lenders and banks.

SHUTE advised the distance between the existing banks, stores and credit unions of a quarter mile is a comfortable walking distance and is now an equal distance between establishments. He referred to the map that designated areas where there was capacity.

SOTTILE confirmed with SHUTE that is a bank wanted to go next door to an alternative lender that it would not be subject to a distance requirement.

HERNANDEZ asked what would happen if an alternative lending store was destroyed, could they re-establish the business at the same location.

SHUTE responded that there is existing language in the code for legal non-conforming businesses that allow for rebuilding at same location.

CIRCO added that the idea of payday loans has always held a negative connotation; however, those he has seen in El Cajon are clean.

HERNANDEZ expressed concern on the percentage rates for loans of only a few days and felt that added to the negative perception of payday loans. He did agree these alternative lenders do provide a service and most people do see a value in their services.

SOTTILE agreed there is a negative connotation around payday loan establishments and his perception centered on deficit spending.

CIRCO asked staff the number of new alternative lending institutions established recently in El Cajon.

SHUTE recalled maybe two in the last six or seven months.

CIRCO liked hearing that supply and demand does shape the market, however, felt some regulations should be in place. He still did not have a good understanding of the distance requirements for alternative lenders versus banks.

HERNANDEZ suggested that may be the distance restriction should be only between alternative lenders.

SHUTE advised the distance mechanism was put into place to prevent overconcentration in the City and suggested that an increase of the distance levels to maintain capacity areas.

SOTTILE asked if they should consider adding a limit of eight or ten establishments.

CIRCO disagreed with putting a cap on the number of stores because the supply versus demand would take care of this.

SHUTE added there are currently 15 alternative lenders in El Cajon.

CIRCO suggested a change to 1) increase the distance to one-half mile and 2) eliminate the distance restriction between alternative lenders and banks.

CIRCO reopened the public hearing and asked Gary FELDMAN for comments.

FELDMAN advised that there are many liquor stores licensed by the Department of Justice to cash checks and many of these stores are seeking to expand their services.

Motion was made by CIRCO, seconded by HERNANDEZ, to close the public hearing; carried 4-0.

CIRCO summarized he was comfortable with the proposed changes in addition to obtaining a conditional use permit.

Motion was made by CIRCO, seconded by SOTTILE, to adopt the next resolutions as amended in order recommending City Council approval of Amendment of Specific Plan No. 182 and Amendment of Zoning Code No. 425; carried 4-0.

Agenda Item:	3
Project Name:	Star Tech Computers and Game Center
Request:	Establish a computer sales, service and gaming center with reduced parking
CEQA Recommendation:	Exempt
STAFF RECOMMENDATION:	RECOMMEND CITY COUNCIL APPROVAL
Project Number(s):	Conditional Use Permit No. 2206
Location:	229 East Main Street
Applicant:	STC Computers, Inc. (Wendy Thai); 619.444.9469; wendy@startechsandiego.com
Project Planner:	Eric Craig; 619-441-1742; ecraig@cityofelcajon.us
City Council Hearing Required?	Yes September 9, 2014
Recommended Actions:	1. Conduct the public hearing; and 2. MOVE to adopt the next resolution in order recommending City Council approval of proposed Conditional Use Permit No. 2206

CRAIG summarized the agenda report in a PowerPoint presentation.

CIRCO opened the public hearing and invited any speakers to the podium and there were no speakers on this item.

HERNANDEZ asked staff is there was a condition in place for the owners to view and monitor the activity during the hours of operation as well as monitor for curfew.

CRAIG answered the applicant is already operating this type of business in El Cajon with no issues and the clients have been well monitored. He added the resolution allows for a 2:00 a.m. closing time and minors could be dropped off and picked up by their parents at the location whereby the curfew would not be applicable since the minors would not be out in public alone after hours.

HERNANDEZ then confirmed with CRAIG there is no parking fee waiver in place at this time or any management plan to establish one for each of the businesses.

SHUTE added there was a recent analysis performed in conjunction with the proposed hotel which revealed 600 spaces available in both public parking lots and surface streets. The study did not include Main or Douglas Streets, which would increase the capacity to more than 1,000 spaces. Any proposed businesses would be reviewed on a case-by-case basis.

CIRCO asked the applicant what type of computer games will be offered.

Wendy THAI answered the games are pre-installed and gamers can plan individually or with others on-line.

HERNANDEZ asked what the average age group was and how they arrive at the facility.

THAI answered that late to mid-twenties is the average age group; however, they are starting to see a few older people. Young teens are dropped off by their parents and the older group usually car pool. There are only a few who skateboard.

SOTTILE asked if the applicant had anything in mind to address the curfew.

THAI said they don't monitor unless the gamers violate the store rules. She added that all must first register and create an account which would include their age. This helps the owners to manage the type of software and games available for those under 18.

Motion was made by HERNANDEZ, seconded by DANKHA, to close the public hearing; carried 4-0.

HERNANDEZ said if not properly managed this type of business could create problems, however, the addition of this business would be great for the downtown area.

CRAIG added staff did consult with the Police Department and they reported the existing business has not been a problem in the past. Also, a special operations license would be required which must be approved by the Police.

All the Commissioners agreed they liked to see this type of business in the downtown area with the appropriate security in place.

Motion was made by HERNANDEZ, seconded by DANKHA, to adopt the next resolution in order recommending City Council approval of proposed Conditional Use Permit No. 2206; carried 4-0.

ADJOURNMENT

Motion was made by CIRCO, seconded by SOTTILE, to adjourn the meeting of the El Cajon Planning Commission at 8:45 p.m. this 5th day of August until August 19, 2014, at 7:00 p.m.; carried 4-0.

Paul CIRCO, Chairman

ATTEST:

Anthony SHUTE, AICP, Secretary