



**MINUTES OF THE MEETING OF THE  
LEON VALLEY ZONING COMMISSION**

**March 25, 2014**

The Regular Meeting of the Leon Valley Zoning Commission convened at 6:30 p.m. on Tuesday, March 25, 2014, in City Council Chambers at 6400 El Verde Road, Leon Valley, Texas.

**I. Roll Call**

Present were Chairman Claude Guerra III, and Members Pedro Esquivel, Hal Burnside, Carmen Sanchez, and Alternate Members Phyllis McMillan and Carlos Fernandez. Absent and properly excused were Vice-Chair Wendy Phelps, 2<sup>nd</sup> Vice-Chair Olen Yarnell, and Commissioner Mike Davis Jr. and Alternate Member Nicole Monsibais. Also present was Kristie Flores, Director of Community Development, acting as recording secretary.

**II. Approval of the Minutes – February 25, 2014**

Commissioner Hal Burnside made a motion to approve the minutes of February 25, 2014 as written. Commissioner Pedro Esquivel seconded the motion, and the motion passed unanimously by voice vote.

**III. Consider Amendments to the City's Zoning Regulations with a Public Hearing and Attached Ordinance, Related to the Regulation of Non-Chartered Financial Institutions**

Chairman Claude Guerra III opened the discussion regarding Non-Chartered Financial Institutions at 6:34 p.m. Staff began the presentation noting that the Zoning Commission is charged with investigating matters relating to protection, enhancement and perpetuation of land uses and developments in the City and as part of the Zoning Code. Staff explained that the Commission began discussions regarding non-chartered financial institutions (payday lenders) last year as a result of how San Antonio, other cities that surround Leon Valley, and the Texas Legislature were attempting to regulate these uses. Staff further explained that statistically the data indicated that there were thirteen (13) payday lending type institutions in Leon Valley and with a population of 10,151 this translated to a payday lender for every 781 residents of the City. Staff noted that as a result of the proliferation of uses, the Commission and Council adopted a 90-day moratorium so that Staff and the City Attorney could look at alternatives for the regulation of these uses. Staff noted that the result was a zoning amendment to add the definitions: Car Title Loan Business, Check Cashing Business, Money Transfer Business and Non-Chartered Financial Institutions. The proposed amendment also included: Distance regulations so that non-chartered financial institutions are not located within 1,000 feet of an existing non-chartered financial institution or be located 500 feet from residential property, State or Federally chartered bank, savings and loan, credit union, industrial loan company, religious institution, daycare, bar/liquor store, and pawn shops. The amendment also specifies that the use may only operate within a freestanding building and may not operate in the same structure as any other use of the same type. Staff noted that the Permitted Use Table was amended accordingly to match the proposed additions to the Code regarding non-chartered financial institutions. Staff stated that the Commission's alternatives were to: A. Recommend Approval, B. Recommend Disapproval, or C. Recommend Approval with Conditions or Amendments. Staff concluded the presentation and remained available for questions.

Commissioner Pedro Esquivel noted that he had heard that there was an interest in adding home mortgage to the list of acceptable means of applying for these high interest loans in Texas. He explained that this was a big concern because of the foreclosures that could result from not being able to pay the loan back. He asked how this may be handled; staff noted that he could request it be added as part of the recommended motion.



Commissioner Pedro Esquivel asked what happens in relation to the 500-foot to 1,000-foot distance regulations in locations like Bandera and Grissom where Randolph Brooks is coming in and there is a payday lender next door. Staff noted that the payday lender was presently considered a non-conforming use but if they vacated or abandoned the site the next business would need to be in conformity to code and a payday lender would not be allowed.

Commissioner Hal Burnside asked if all the payday lenders were "grand-fathered." Staff noted that they were non-conforming and would remain that way unless there was a trigger to follow the Code. He also asked that if thirteen (13) lenders were officially licensed/registered would those that are not be required to register. Staff noted that under Texas law they would need to register but per Leon Valley City ordinance they would only need a Certificate of Occupancy.

Chairman Claude Guerra III asked how it would be determined if the business is not registered and if the ordinance passed what procedure would be used to know if they were registered. Staff noted that the business would need to apply for a Certificate of Occupancy and staff internally would inform them of City regulations. Staff also noted that the Fire Marshall does periodic inspections and finds businesses that have not obtained a Certificate of Occupancy. Staff further explained that if the Fire Department does not catch them, they tend to violate the sign ordinance and Code Enforcement catches them. Staff noted that most businesses whether in San Antonio or Leon Valley know they need a Certificate of Occupancy (C of O) to operate in a given city. Staff also noted that if they are in violation of the ordinance, a C of O would not be issued.

Commissioner Carmen recommended reviewing payday lenders for compliance and certificates of occupancy. It was so noted by Staff.

Commissioner Phyllis McMillan asked about the \$2,000 penalty for violation of the ordinance. Staff noted that as part of the Zoning Code the standard penalty for violations can be up to \$2,000 as prescribed by a judge during a hearing regarding the offense. Staff further explained that the proposed non-chartered financial institution regulations were part of the Zoning ordinance and as such would have the same potential penalty of up to \$2,000.

Commissioner Pedro Esquivel recommended approval of the zoning amendments to add definitions regarding *Non-Chartered Financial Institutions* to the Zoning ordinance and amend the Permitted Use Table with defined zoning districts for the use, and additional regulations pertaining to distance, stand alone structures only, and signage. The recommended motion included an additional amendment to include loans by Non-Chartered Financial Institutions which may be issued toward home mortgage or home equity and result in high interest paybacks or possible foreclosure. He noted that these amendments and additions protected the welfare of the general public. Commissioner Carmen Sanchez seconded the motion and the motion passed unanimously by a vote of 6-0.

#### IN FAVOR OF THE MOTION

Chairman Claude Guerra II  
Commissioner Hal Burnside  
Commissioner Phyllis McMillan  
Commissioner Carlos Fernandez  
Commissioner Hal Burnside  
Commissioner Pedro Esquivel

#### IV. EXECUTIVE SESSION IN ACCORDANCE WITH THE TEXAS LOCAL GOVERNMENT CODE

There was neither item, nor action necessary for this session.

