

# **Attachment I**

777 Hollenbeck Ave, Apt 22  
Sunnyvale, CA 94087

June 9, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I am writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd.

I agree with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City.

**I am especially concerned about the 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for consumers, creating an asset-stripping effect that impacts both the individual and the entire community.**

I support a reduction in the number of pay-day loan sites in Sunnyvale, or a ban on them altogether, and respectfully request that the Council approve a restrictive payday ordinance when it comes before you in August.

Thank you.

*George Bell*

George Bell

cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission



June 9, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

We are writing to the Sunnyvale City Council on behalf of our St. Vincent de Paul Conference (SVdP) located in Sunnyvale. The SVdP Society is a nonprofit organization that provides direct assistance to anyone suffering or in need. Our local conference specifically provides food and financial help in the form of assistance with rents, utility bills, and medical costs to low income families living in Sunnyvale.

We are writing in regards to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. We stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the best interest of the citizens of Sunnyvale for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city.

We have concerns about the predatory practices of this industry and how it often targets low income families. We are greatly concerned about the 459% APR interest rates on payday loans and the cycle of debt these loans can create for the already impoverished families in our community. Adopting a cap and developing a permitting process along with zoning restrictions for these businesses would help to minimize the negative practices and effects of payday lenders on our city.

We ask the City to support programs and policies that will help those in need and reduce poverty in our community. In that spirit, we respectfully ask the Council to consider and approve a restrictive pay day lending ordinance as soon as possible.

Thank you for your time and consideration,

Tanya Pereira  
Co-President SVdP Sunnyvale

Donna Beres  
Co-President SVdP Sunnyvale

Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission

To: Amber El-Hajj, City of Sunnyvale  
From: Melissa A. Morris, Public Interest Law Firm, Law Foundation of Silicon Valley  
Re: Payday Lending Ordinance Policy Parameters  
Date: May 14, 2013

**MEMORANDUM REGARDING LAND USE ORDINANCE ADDRESSING FRINGE  
FINANCIAL SERVICES**

*This memo was prepared by Public Interest Law Firm on behalf of CAPP, the Coalition Against Payday Predators, to provide information about and recommendations for an ordinance to limit the proliferation of payday lenders in Sunnyvale. In compiling this memo, we conducted research on similar ordinances in other jurisdictions and on the legal implications of a variety of ordinance options. We provide general information, as well as our own recommendations below.*

**INTRODUCTION<sup>1</sup>**

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. 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.<sup>2</sup> In California, payday loans are typically small; state law caps them at \$300.<sup>3</sup> However, these small-dollar loans must be repaid quickly—the average term of a payday loan is 17 days—and, as such, they have an APR of over 400 percent.<sup>4</sup>

Payday lending is widespread in California. In 2011, over 1.7 million Californians were issued payday loans (at an average of between 7 and 8 loans per borrower).<sup>5</sup> 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

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<sup>1</sup> Public Interest Law Firm published *Report on the Status of Payday Lending in California*, commissioned by Silicon Valley Community Foundation (October 2009), available at <http://www.siliconvalleycf.org/docs/payday-lending-report.pdf>, and much of the text in this section is taken from that report. More recently, the Pw Charitable Trusts has published reports and analyses in its *Payday Lending in America* series, available at <http://www.pewstates.org/research/featured-collections/payday-lending-in-america-85899405692>.

<sup>2</sup> 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/research\\_input\\_198-1B51.html](http://www.aarp.org/research/credit-debt/credit/research_input_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.

<sup>3</sup> Cal. Fin. Code, § 23035, subd. (a).

<sup>4</sup> California Department of Corporations, "2011 Annual Report: Operation of Deferred Deposit Originators licensed under the California Deferred Deposit Transaction Law, 6, available at [http://www.corp.ca.gov/Laws/Payday\\_Lenders/pdfs/CDDTL2011ARC.pdf](http://www.corp.ca.gov/Laws/Payday_Lenders/pdfs/CDDTL2011ARC.pdf).

<sup>5</sup> Department of Corporations, *supra* note 4, at 4.

borrowers are indebted for an average of five months per year.<sup>6</sup> 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.”<sup>7</sup>

Payday lenders and other fringe financial services tend to be more densely concentrated in lower income areas and communities of color.<sup>8</sup> 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 close to the center of an African American or Latino neighborhood as a largely white neighborhood.”<sup>9</sup> In Sunnyvale, payday lenders are clustered along El Camino Real, Sunnyvale’s primary commercial corridor. Of Sunnyvale’s seven existing payday lenders, six are on El Camino between Lawrence Expressway and Highway 85.

### REGULATION 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 Corporations (Cal. Code Regs., tit. 10, ch. 3.). These laws set parameters for the amounts of loans, the fees charged, and other aspects of how payday lenders operate. As such, local jurisdictions are preempted from regulating the content of payday loans.

However, local jurisdictions *are* permitted to enact local policies that combat the proliferation of payday lenders in their communities and that address the overconcentration of these types of businesses in low-income and minority neighborhoods. 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.<sup>10</sup>

In Santa Clara County, the cities of San José and Los Altos, as well as the County itself, have already adopted regulations concerning payday lenders. Further, Gilroy has imposed a temporary moratorium on the establishment of new payday lenders as it considers longer-term

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<sup>6</sup> 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](http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Pew_Payday_Lending_Report.pdf).

<sup>7</sup> *Id.* at 9.

<sup>8</sup> 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/2006/07poverty\\_fellowes.aspx](http://www.brookings.edu/reports/2006/07poverty_fellowes.aspx).

<sup>9</sup> 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>.

<sup>10</sup> 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>.

controls. Below are some of the types of regulations these and other jurisdictions have adopted, as well as CAPP's recommendations for regulations to be adopted in Sunnyvale.

**TEMPORARY CITYWIDE MORATORIUM WITH STUDY PERIOD**

Prior to enacting long-term restrictions on payday lenders, Sunnyvale may pass a temporary citywide moratorium on the establishment of new payday lenders, check cashers, and/or other fringe financial services, in order to study the impact of these types of businesses on the surrounding community.<sup>11</sup> Several local jurisdictions, including Santa Clara County, Los Altos, Menlo Park, and, most recently, Gilroy, have utilized such moratoria as they study options for longer-term controls.<sup>12</sup> California law authorizes cities to adopt an "interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the legislative body, planning commission or the planning department is considering or studying or intends to study within a reasonable time."<sup>13</sup> Such an ordinance may remain in effect for no more than 45 days from its date of adoption, and may either be adopted as an urgency measure or pursuant to the procedural requirements of Government Code, section 95090.<sup>14</sup> If the interim ordinance is adopted as an urgency measure, it may later be extended for 10 months and 15 days, and then for a year, as long as proper notice is provided and procedure is followed for each extension.<sup>15</sup> If the interim ordinance is adopted following the procedures of Government Code, section 65090, then it may later be extended for 22 months and 15 days, as long as proper notice is provided and procedure is followed.<sup>16</sup> Both the adoption and the extension of the interim ordinance require a 4/5 vote, as well as a finding that "... there is a current and immediate threat to the public health, safety, or welfare, and that the approval of additional subdivisions, use permits, variances, building permits, or any other applicable entitlement for use which is required in order to comply with a zoning ordinance would result in that threat to public health, safety, or welfare."<sup>17</sup>

By prioritizing a payday lending study issue in its city budget, Sunnyvale has already acknowledged that payday lending is a serious concern of the City. The City could go one step further to temporarily ban new payday lenders while it continues to develop long-term policies on payday lending.

**PERMANENT ORDINANCE RECOMMENDATIONS (PENDING FINDINGS)**

The temporary moratorium authorized by Government Code, section 65858, is intended only as an interim measure during the term of which the city studies the impacts of a particular use and, if appropriate, develops more long-term restrictions to address the health and safety issues caused by that use. Some jurisdictions, such as Santa Clara County<sup>18</sup> and Los Altos,<sup>19</sup>

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<sup>12</sup> See Gilroy Ord. No. 2013-06.  
<sup>13</sup> Gov. Code, § 65858, subd. (a).  
<sup>14</sup> Gov. Code, §§ 65858, subd. (a), (b).  
<sup>15</sup> Gov. Code, §§ 65090, 65858, subd. (a).  
<sup>16</sup> Gov. Code, §§ 65090, 65858, subd. (b).  
<sup>17</sup> Gov. Code, § 65858, subd. (a)-(c).  
<sup>18</sup> Santa Clara County Ord. Code, § 2.10.040, subd. (6).

have instituted permanent moratoria on payday lenders, prohibiting new payday lenders from locating within the jurisdiction.<sup>20</sup> However, most local jurisdictions choose to enact permanent policies that still allow for new payday loan stores to open but impose thoughtful regulations on their number, location, and operation.

Cities are able to impose such restrictions through their planning and zoning power, which allows cities to regulate particular uses in order to prevent nuisance and to promote the public welfare. Sunnyvale's Zoning Code does not specifically identify payday lenders among its regulated uses. Therefore, local regulation of payday lenders will likely involve amendment of the Zoning Code to define payday lending as a use<sup>21</sup> and to impose restrictions on where, how, and when payday loan stores can operate. Below are some examples of the types of regulations that have been adopted, both in Santa Clara County and elsewhere in California and the nation.

#### Caps on the Number of Payday Lenders

Many cities have placed caps on the number of new payday lenders that can locate within their city limits. Last year San José became the largest city in the nation to impose such a cap, limiting the number of payday lenders in the city to 39, the number that were in operation at the ordinance's adoption.<sup>22</sup> Other California cities, including National City and Norwalk, have also imposed caps on the number of payday lenders.<sup>23</sup> Such a cap allows new payday lenders to locate in a City, but only if an existing payday lender has closed or relocated.

CAPP recommends that Sunnyvale likewise impose a cap based on its existing number of payday lenders (7).

#### Geographic Restrictions

Many cities have imposed permanent restrictions that exclude payday lenders and check cashers from certain zoning districts or neighborhoods. The rationale behind these types of restrictions is to limit the proliferation of such businesses in areas where their existence runs contrary to the stated purpose of the district (e.g., in residentially zoned areas) or to keep new payday lenders or check cashers from opening in areas that already have an overconcentration of

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<sup>19</sup> Los Altos Mun. Code, § 14.02.070.

<sup>20</sup> Although California courts have not considered whether a municipality may impose an outright ban on payday lending establishments, the California Supreme Court recently upheld a city's ban on facilities that distribute medical marijuana in *City of Riverside v. Inland Empire Patients Health and Wellness Ctr., Inc.* (May 6, 2013, S198638) \_\_\_ Cal.4th \_\_\_ [2013 Cal. LEXIS 4003]; the Court held that the City of Riverside's ban was within its land use power and was not preempted by state statutes that exempt medical marijuana dispensaries from prosecution under certain state statutes.

<sup>21</sup> Many cities, including Santa Clara County, Los Altos, San Francisco, Oakland, and Sacramento have opted to include check cashing and other "fringe financial services" in their regulation of payday lenders. While they are distinct practices and require separate licenses, payday lending and check cashing often occur together in the same storefront. If Sunnyvale determines that regulation of check cashing is also appropriate, such regulation can be enacted together with regulation of payday lenders.

<sup>22</sup> San Jose Mun. Code, § 20.80.1060.

<sup>23</sup> National City Mun. Code, § 18.30.330; Norwalk Mun. Code, § 17.04.095, subd. (C)(2).

these types of businesses. Based on the types of distance requirements imposed in other cities, including East Palo Alto, Sacramento, Oakland, and San Francisco, Sunnyvale could impose the following requirements for the siting of new payday lenders:

- That new payday lenders may not open within a quarter mile (1320 ft.) of existing payday lenders or check cashers;
- That new payday lenders may not open within 500 feet of any residential use or residentially zoned parcel;
- That new payday lenders may not open within 1000 feet of any school, park, playground, church or religious facility, or child care or preschool facility;
- That new payday lenders may not open within 500 feet of banks, savings associations, or credit unions.
- That new payday lenders may not open within 1000 feet of liquor stores.

Other cities have banned payday lenders from certain census tracts or neighborhoods, based either on the overconcentration of payday lenders in those areas or based on the vulnerability of the population to predatory lending practices. For example, San José, in addition to its numerical cap, also prohibits new payday lenders from locating in or near very low-income census tracts.<sup>24</sup> Similarly, San Francisco established a Fringe Financial Service Restricted Use District, which excludes new payday lenders and check cashers from locating in certain neighborhoods based on the over-proliferation of such uses in those neighborhoods.<sup>25</sup>

Based on Sunnyvale's demographics and the locations of existing payday lenders within the City, CAPP's recommendation is to impose distance requirements, to only allow new payday lenders to locate in zones where other commercial uses are permitted, and to require a permit, as discussed below.

#### Use Permit

Many cities have imposed special or conditional use permit requirements on new payday lenders. Sunnyvale could likewise require use permits (and/or miscellaneous plan permits) for new payday lenders and impose certain conditions as part of the approval process. Sunnyvale already requires specific conditions for permitting of uses such as gas stations,<sup>26</sup> so such requirements would be consistent with Sunnyvale's larger zoning scheme. Based on permitting schemes adopted by other cities, Sunnyvale could impose the following types of requirements as a condition of use permits for payday lenders:

- Restricted hours of operation (East Palo Alto, Oakland, and Sacramento have established 7:00 a.m. to 7:00 p.m. unless other hours are approved in the special use permit<sup>27</sup>);
- Good neighbor policy;
- Lighting plan;

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<sup>24</sup> San Jose Mun. Code, § 20.80.1055.

<sup>25</sup> San Francisco Mun. Code, § 249.35.

<sup>26</sup> Sunnyvale Mun. Code, § 19.98.020, subds. (i)-(k).

<sup>27</sup> Oakland Planning Code, § 17.102.430, subd. (A)(3)(c); Sacramento City Code § 17.24.050, n. 84.

- Sign plan that conforms with Sunnyvale's Sign Ordinance; and
- Graffiti removal.

#### Requirement to Provide Information About Non-Predatory Alternatives

One option that, to our knowledge, has not yet been adopted by a local jurisdiction in California but could be very helpful to payday loan consumers would be to require the distribution of information about local alternatives to payday loans. State law requires payday lenders to include a notice with the following information each time they issue a payday loan:

- (1) Information about charges for deferred deposit transactions.
- (2) That if the customer's check is returned unpaid, the customer may be charged an additional fee of up to fifteen dollars (\$15).
- (3) That the customer cannot be prosecuted in a criminal action in conjunction with a deferred deposit transaction for a returned check or be threatened with prosecution.
- (4) The [Department of Corporations'] toll-free telephone number for receiving calls regarding customer complaints and concerns.
- (5) That the licensee may not accept any collateral in conjunction with a deferred deposit transaction.
- (6) That the check is being negotiated as part of a deferred deposit transaction made pursuant to Section 23035 of the Financial Code and is not subject to the provisions of Section 1719 of the Civil Code. No customer may be required to pay treble damages if this check does not clear.<sup>28</sup>

Sunnyvale could require that payday lenders also provide a City-approved flyer listing local resources for emergency financial assistance, savings, and financial education. Such flyers could include information about community service agencies like Sunnyvale Community Services, hotlines like the United Way's 211 number, non-profit loan programs like Ways to Work's auto loan program, and government programs like CalFresh (formerly Food Stamps). CAPP's member agencies can aid the City in compiling information for the flyer.

Even if the City elected not to require distribution of such a flyer at payday loan stores, the City could produce the flyer and distribute it through its usual channels for distributing information to the public: publication in City offices, inclusion in email alerts, promotion at City events, etc. In our experience, the more consumers know about alternatives to payday lending, and the more accessible those alternatives are, the less likely consumers are to become trapped in the cycle of payday loan debt.

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<sup>28</sup> Cal. Fin. Code, § 23025, subd. (c).

### Policies to Encourage the Development of Alternatives

We recommend the City adopt a resolution encouraging the development of non-predatory alternatives to payday loans and consider policies that incentivize the development of non-predatory alternatives. Sunnyvale already supports alternatives to payday loans through its support of Sunnyvale Community Services and other local organizations that help Sunnyvale residents to meet their basic needs, but it could consider additional policies that are specifically designed to shrink the market for payday loans. One option would be to create incentives, such as incentives related to ATM placement, for credit unions that offer small dollar loan products to their members.<sup>29</sup> Other cities have considered other incentives, such as the express exemption of non-profit services from local regulation of payday lenders; for example, San Francisco specifically exempts non-profit fringe financial services (including payday lenders and check cashers) from its ordinance.<sup>30</sup> Such incentives should be carefully tailored to encourage credit alternatives that are affordable (i.e., whose interest rate is lower than 36 percent APR) but not to open the door for other financial products with costly or deceptive terms. CAPP members can provide input on policy options based on our experience in other jurisdictions.

Another way in which the City could help to ensure that Sunnyvale residents have access to non-predatory alternatives to payday loans is to support the payday lending helpline, currently in development by CAPP member organization United Way of Silicon Valley with funding from the Silicon Valley Community Foundation. The helpline will provide information and directed referrals to consumers who are encountering financial difficulties and who either want to avoid payday loans or are trying to free themselves of payday loan debt. The Community Foundation has provided United Way with sufficient financial support to start the helpline, but the helpline is not funded on an ongoing basis. If the City were to commit funds to the helpline, it could help to ensure that the service is available to consumers in the future.

### Support Statewide Legislation

Because the substance of payday loans is regulated by the state, state legislation has the potential to establish meaningful consumer protections. Senate Bill 515, authored by Senator Hannah-Beth Jackson (D-19) and coauthored by Senator Jim Beall (D-15), has been proposed in the California senate but is currently being held in the Senate Banking Committee. If passed, SB 515 will prevent payday lenders from trapping consumers in long-term, high-cost cycles of debt by capping the number of loans a lender can make to an individual at four loans per year and requiring the lenders to incorporate basic underwriting standards. CAPP recommends that Sunnyvale adopt a resolution to support state legislative efforts to curb the damaging effects of payday lending on the community.

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<sup>29</sup> Credit Unions are prohibited by the National Credit Union Administration's rules from charging more than 28 percent APR. See <<http://www.mycreditunion.gov/what-credit-unions-can-do/Pages/Short-Term-Loans.aspx>>.

<sup>30</sup> San Francisco Planning Code, § 249.35, subd. (d).

April 22, 2013

To Whom It May Concern,

I am a 64 year old, with custody of two grandchildren under three. I am on a fixed income and I have been accruing additional food and clothing costs.

I had been borrowing from Cash/Check for six months from two different creditors, and borrowing in a cycle, (paying current month due to Cash/Check and borrowing from Cash/Check to cover expenses due in June \$300. each). This has caused a great financial burden.

I am on a fixed income of Social Security and SSI. That is not enough to cover the recurring expenses. There are no other resources available to seniors like myself where I can get financial relief without getting into a revolving problem.

I appreciate programs like Sunnyvale Community Services who have helped me with my rent, and the monthly food distribution.

You may contact me if you have any questions.

Sincerely

A handwritten signature in black ink, appearing to read 'Sarah Jackson', with a long horizontal flourish extending to the right.

Sarah Jackson  
408 685-2242



May 28, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I'm writing on behalf of Step Up Silicon Valley. Our network works to reduce poverty in Santa Clara County by 50% by the year 2020. As a part of our advocacy efforts, we partner with the Law Foundation of Silicon Valley to educate and raise awareness amongst communities that are negatively affected by payday lending stores.

We are writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. We stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the interest of Sunnyvale communities for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city, consistent with other cities in the region.

We're concerned about the predatory practices of this industry, particularly as working people in our country and state continue to face huge hardships due to the irresponsibility of predatory lenders. We are especially concerned about the 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for consumers, which create an asset-stripping effect that impacts both the individual and the entire community. While not necessarily the case in Sunnyvale, we dislike that these businesses often target low and moderate-income workers and communities of color, and that they tend to cluster in certain neighborhoods. Adopting a cap and developing a permitting process and zoning restrictions for these businesses would help address the latter issue, and would allow for communities to weigh in on any future proposals for new payday lenders.

Step Up Silicon Valley strives to help families reach self-sufficiency through a variety of initiatives, including the Franklin McKinley Women's Initiative (FMWI). FMWI increases economic opportunities for low-medium income families by educating women on how to start their own businesses. Our most recent success involves three FMWI participants graduating from a business start-up class done in conjunction with CommUniverCity and San Jose State University students. While we do not offer a small dollar loan product per se, our founding organization; Catholic Charities of SCC provides a range of services that help families avoid the payday loan debt trap.

We at Step Up hope to create a thriving community with better access to health care, quality education, sufficient food, decent and affordable housing, and reliable income, all of which can

only be possible in an economically healthy environment. Our organization finds payday lending to be a predatory practice that threatens the possibility of successfully building an economically-sound community. As a network, we have partnered with other non-profit agencies, parishes, and schools to spread awareness in the community about the dire consequences of payday lending through financial education workshops, bus campaigns, and educational materials. In that spirit, we reiterate our support for this policy and respectfully ask the Council to approve a restrictive payday ordinance when it comes before you in August.

Thank you for your time and consideration,

Almaz Negash, Managing Director  
Step Up Silicon Valley

Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission

May 28, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I'm writing on behalf St. John Lutheran Church. Most of our members our Sunnyvale residents and we have served the Sunnyvale community for more than 50 years.

We are writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. We stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the interest of Sunnyvale communities for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city, consistent with other cities in the region.

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While we do not offer direct financial assistance or loans, we are engaged in a number of activities that help families avoid the payday loan debt trap. We have long supported the efforts of Sunnyvale Community Services through the work of our volunteers. We organize and host the annual "Junque Sale" which has raised \$8 - \$12 Thousand dollars annually to support Sunnyvale Fish which provides food and clothing for those in need. We work with Faith in

Action Rotating Shelter to host up to fifteen homeless men for one month as they work to obtain good jobs and permanent shelter. We are a drop off location for the Second Harvest Senior Brown Bag program. We host the Sunnyvale singers for their regular rehearsals and their annual fund raiser on behalf of Sunnyvale Community Services.

As a Christian Congregation, we firmly believe that we are called by God to be concerned for the well being of all people and to work for and speak on behalf of those who do not have the basic resources of food and shelter. In that spirit, we reiterate our support for this policy and respectfully ask the Council to approve a restrictive payday ordinance when it comes before you in August.

Thank you for your time and consideration,

Rev. Peggy White  
St. John Lutheran Church

Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission



Amber El-Hajj &lt;ael-hajj@sunnyvale.ca.gov&gt;

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**(no subject)**

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don rode <doncatrode@yahoo.com>  
Reply-To: don rode <doncatrode@yahoo.com>  
To: "ael-hajj@sunnyvale.ca.gov" <ael-hajj@sunnyvale.ca.gov>

Sun, Jun 2, 2013 at 2:19 PM

June 3 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

We are writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. We stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the interest of Sunnyvale communities for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city, consistent with other cities in the region.

We're concerned about the predatory practices of this industry, particularly as working people in our country and state continue to face huge hardships due to the irresponsibility of predatory lenders. We are especially concerned about the 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for consumers, which create an asset-stripping effect that impacts both the individual and the entire community. While not necessarily the case in Sunnyvale, we dislike that these businesses often target low and moderate-income workers and communities of color, and that they tend to cluster in certain neighborhoods. Adopting a cap and developing a permitting process and zoning restrictions for these businesses would help address the latter issue, and would allow for communities to weigh in on any future proposals for new payday lenders.

We participate in food drives and service projects throughout the year to help our community. In that spirit, we reiterate our support for this policy and respectfully ask the Council to approve a restrictive payday ordinance when it comes before you in

August.

Thank you for your time and consideration,

Don & Cathy Rode  
Members, Church of Jesus Christ of Latter Day Saints

cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission



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CALIFORNIA REINVESTMENT COALITION

May 27, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

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 300 nonprofit organizations and public agencies across the state; we also co-convene the Coalition Against Payday Predators (CAPP) with a number of ally organizations across Santa Clara County. 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 San Francisco, Sacramento, San Jose and other California cities to enact land use restrictions on the payday loan industry.

We are writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. CRC stands with Sunnyvale Community Services and other local groups in urging the City to adopt an ordinance that would put a cap on the number of payday loan outlets in Sunnyvale, and set forth permitting and distance requirements for any new payday loan storefronts, should existing outlets close or change ownership. We believe it is in the interest of Sunnyvale communities for the Planning Commission and City Council to adopt these strong yet reasonable policies to contain the growth of the payday loan industry, consistent with other cities in the region.

We believe there are a few key reasons for land use restrictions:

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 the easy accessibility. When neighborhoods have an abundance of payday lenders and other high cost financial services, they will often use those services because it's "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.

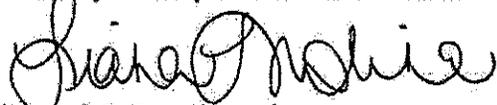
2. In a recent national study by Pew Charitable Trust, "Payday Lending in America," researchers found 73% of payday loan consumers exclusively use storefront payday lenders. This study also found that in states with laws that restrict storefront payday lending, 95 out of 100 would-be borrowers elect 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.

We will be present at the July 22<sup>nd</sup> planning commission meeting to provide further comment. Please allow the written record to reflect our recommendation that the Planning Commission consider limiting the total number of these businesses at their current number (7), and prohibiting any new fringe financial businesses from opening within a quarter mile (1,320 ft) of a "very low-income" census tract, and a quarter mile distance from the parcel line on which a payday loan business is located. The City of San Jose has set a precedent for this type of zoning ordinance, which we believe is a strong model for other jurisdictions in the county and across the state.

Unfortunately, the Planning Commission and 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. Given the payday loan industry's track record and business model, it makes sense for local policy makers to implement safeguards to prevent the over-proliferation of these businesses.

We respectfully reiterate our call on the City Council to support a permanent "cap" on the number of these businesses, and on the planning commission to recommend the Council's adoption of such policy. If you have any questions in advance of July 22<sup>nd</sup>, please don't hesitate to contact me.

Thank you for your time and consideration,



Liana Molina, Organizer  
California Reinvestment Coalition

Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Planning Commission, in c/o Trudi Ryan, Planning Officer, Planning Division

## County of Santa Clara

Office of the District Attorney

County Government Center, West Wing  
70 West Hedding Street  
San Jose, California 95110  
(408) 299-7400  
www.santacleara-da.org



Jeffrey F. Rosen  
District Attorney

May 29, 2013

*Via email to [ael-hajj@sunnyvale.ca.gov](mailto:ael-hajj@sunnyvale.ca.gov)*

Amber El-Hajj  
Sunnyvale Planning Commission  
456 W. Olive Avenue  
Sunnyvale, CA 94086

Re: Payday Loans

Dear Ms. El-Hajj and Planning Commissioners:

The Office of the District Attorney urges the City of Sunnyvale to adopt an ordinance that would put a cap on the number of payday lenders in the City of Sunnyvale, and set forth permitting and distance requirements for any new payday loan or check cashing storefronts. We believe it is in the interest of Sunnyvale communities for the Council to adopt reasonable policies to regulate the growth of the payday loan industry in the region.

Unregulated payday lending practices may be harmful to consumers for the following reasons:

- Triple digit interest rates (459%) result in a downward spiraling cycle of debt
- Clustered in lower-income and minority communities
- Lack of written notice being disseminated to borrowers to adequately inform them about terms, conditions, interest rates (the "actual" cost of a payday loan)
- Lack of written information in languages other than English
- Loans are not used as a one-time emergency loan as the industry portrays it. The average number of loans per borrower is ten per year.
- Certain payday lending institutions have been found to engage in unlawful business practices including:
  1. unlicensed activity
  2. collections of unauthorized fees
  3. schemes to collect on multiple unauthorized number of loans
  4. circumventing the \$300 cap on payday loans in violation of the California Deferred Deposit Transaction Law

June 1, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I am writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. I stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the interest of Sunnyvale communities for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city, consistent with other cities in the region.

I am concerned about the predatory practices of this industry, particularly as working people in our country and state continue to face huge hardships due to the irresponsibility of predatory lenders. **I am especially concerned about the 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for consumers, creating an asset-stripping effect that impacts both the individual and the entire community.**

These businesses typically target low and moderate-income workers and communities of color, and tend to cluster in certain neighborhoods. Adopting a cap and developing a permitting process and zoning restrictions for these businesses would help address the latter issue, and would allow for communities to weigh in on any future proposals for new payday lenders.

Each year, several Sunnyvale churches do a major food drive in cooperation with Sunnyvale Community Services. I am aware that some of the recipients of this food may be the very people who need assistance because they have fallen victim to unscrupulous predatory loan businesses.

**I believe that the faith community as a whole would advocate against predatory loan practices that result in loss of cars, possessions, housing, jobs, the ability to feed the family and, ultimately, poverty.**

I support a reduction in the number of pay-day loan sites in Sunnyvale, or a ban on them altogether, and respectfully request that the Council approve a restrictive payday ordinance when it comes before you in August.

Thank you for your careful consideration of the information provided here.

Dixie Larsen  
Member, Church of Jesus Christ of Latter-day Saints  
Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission



Silicon Valley  
Independent Living Center

*A disability justice organization  
that creates fully inclusive communities*

May 28, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I'm writing on behalf Silicon Valley Independent Living Center (SVILC) which has served the Sunnyvale community for 37 years. Our diverse programs and services address the comprehensive needs that individuals with disabilities have when attempting to gain or increase their independence. Many of those we serve, along with several of our staff members are Sunnyvale residents.

We are writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. We stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the interest of Sunnyvale communities for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city, consistent with other cities in the region.

We're concerned about the predatory practices of this industry, particularly as working people in our country and state continue to face huge hardships due to the irresponsibility of predatory lenders. We are especially concerned about the 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for consumers, which create an asset-stripping effect that impacts both the individual and the entire community. SVILC firmly believes that we should advocate for the rights of all people and respectfully ask the Council to approve a restrictive payday ordinance when it comes before you in August.

Thank you for your time and consideration,

A handwritten signature in black ink, appearing to read "Nayana Shah".

Nayana Shah  
Chief Operating Officer

Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission



231 Sunset Avenue  
Sunnyvale, CA 94086  
408-736-4108

June 5, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I am writing to the Sunnyvale City Council on behalf of Our Daily Bread (ODB). ODB is an outreach program located at St. Thomas Episcopal Church in Sunnyvale. We serve hot meals to people in need in our community every Monday, Wednesday, and Friday.

We are writing in regards to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. We stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the best interest of the citizens of Sunnyvale for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city.

We have concerns about the predatory practices of this industry and how it often targets low-medium income families. We are greatly concerned about the 459% APR interest rates on payday loans and the cycle of debt these loans can create for the already impoverished families in our community. Adopting a cap and developing a permitting process along with zoning restrictions for these businesses would help to minimize the negative practices and effects of payday lenders on our city.

While ODB does not offer loans or financial aid, our agency provides free meals to assist impoverished families in our community lower their food costs and avoid the payday loan debt trap. We serve over 300 diners per day including the aged, disabled, unemployed, working poor, and homeless. ODB has been serving meals since 1983. Unfortunately, due to ongoing difficult economic times, the number of diners and need for meals continues to grow. ODB is dedicated to serving all hungry men, women, and children who come to our program in hopes that the level of poverty in Sunnyvale will begin to decline. We ask the City to continue to support programs and policies that will help reduce poverty in our community. In that spirit, we respectfully ask the Council to consider and approve a restrictive pay day lending ordinance as soon as possible.

Thank you for your time and consideration,

Donna Beres  
ODB Board Secretary

David Barnes  
ODB Program Manager

Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission



**Sunnyvale Community Services**

725 Kifer Road, Sunnyvale, CA 94086 408.738.4321

**Working to Prevent Homelessness and Hunger**

June 12, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I am writing to the Sunnyvale City Council on behalf of the staff and board of Sunnyvale Community Services. Our mission is to prevent homelessness and hunger in our community. As the nonprofit “safety net” agency for the City of Sunnyvale, we work with dozens of organizations and faith communities to help low-income families and seniors to stay housed with utilities turned on and food on their table. Year-round, SCS assists 7,000 residents of Sunnyvale each year with food and/or financial assistance. We help 5% of the population of Sunnyvale, but we know that 25% are at risk of hunger. Sadly, 41% of our clients are children and 11% are seniors 65 or older.

Parents working minimum wage often have to work multiple jobs to pay rent, and seniors have to choose between medications and food. Low-income families are often one bill away from homelessness. When an unexpected financial emergency happens, or the rent increases, they may become victims of predatory payday loans. Unfortunately, many people come to Sunnyvale Community Services after they have already taken out five or six payday loans in one year. They get caught in what one client called the merry-go-round of debt, with APR interest rates up to 459% a year.

We are writing in regards to the “Payday Lending Study Issue” scheduled to be heard by the Planning Commission in the coming weeks. We stand with over a dozen organizations in Sunnyvale and the Coalition Against Payday Predators (CAPP) in urging the City Council to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the best interest of the citizens of Sunnyvale for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city.

In addition, we ask that the City Council pass a resolution advocating that the State of California enact regulations restricting the number of payday loans that can be issued to a borrower to 4 per year, and capping the APR interest rate to 36% per year. The most powerful impact to restrict predatory practices in this industry will need to be legislated at the State government level. The State legislators have failed to take any action on this issue, which is why a resolution from Sunnyvale City Council is needed to encourage our elected officials to finally regulate this industry.

We have serious concerns about the predatory practices of this industry and how it often targets low-income families and seniors. We are greatly concerned about the extremely high interest rates on payday loans and the cycle of debt these loans can create for the already impoverished families in our community. Adopting a cap and developing a permitting process along with zoning restrictions for these businesses would help to minimize the negative practices and effects of payday lenders on our city.

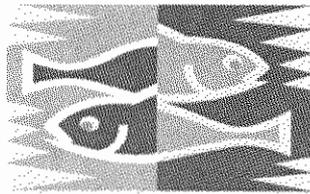


We ask the City of Sunnyvale to support programs and policies that will help those in need and reduce poverty in our community. In that spirit, we respectfully ask the Council to consider and approve a restrictive payday lending ordinance as soon as possible, and to pass a resolution to the State of California advocating regulations on the industry.

Thank you for your time and consideration,



Marie Bernard  
Executive Director



**SUNNYVALE FISH**  
*"Christians Who Care by Helping Others in Need"*  
*(408) 245-9109*

June 12, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

We are writing to the Sunnyvale City Council on behalf of Sunnyvale Fish (FISH) located at the Congregational Community Church in Sunnyvale. FISH is a nonprofit organization that provides clothing, bedding, and household items through our clothes closet to people in need in our community. We also work in partnership with Sunnyvale Community Services to provide emergency food assistance to low income and homeless families in Sunnyvale and the local community.

We are writing in regards to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. We stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. We believe it is in the best interest of the citizens of Sunnyvale for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city.

We have concerns about the predatory practices of this industry and how it often targets low income families. We are greatly concerned about the 459% APR interest rates on payday loans and the cycle of debt these loans can create for the already impoverished families in our community. Adopting a cap and developing a permitting process along with zoning restrictions for these businesses would help to minimize the negative practices and effects of payday lenders on our city.

We ask the City to support programs and policies that will help those in need and reduce poverty in our community. In that spirit, we respectfully ask the Council to consider and approve a restrictive pay day lending ordinance as soon as possible.

Thank you for your time and consideration,

Renata Thorne  
Sunnyvale FISH Board President

Donna Beres  
Sunnyvale FISH Board Member

Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission

June 7, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

RECEIVED  
JUN 18 2013  
PLANNING DIVISION

Dear Mayor Spitaleri and Members of the City Council:

On behalf of Asian Americans for Community Involvement (AACI), I am writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, July 22nd. We stand with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in requesting an ordinance that would cap the number of payday loan outlets in Sunnyvale, and set forth permitting and distance requirements for any new payday loan storefronts. It is in the best interest of Sunnyvale residents for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry.

We're concerned about the predatory practices of this industry, particularly as working people continue to face hardships due to irresponsibility of predatory lenders. We are particularly concerned about the 459% APR interest rates on payday loans and the cycle of debt these loans create for consumers.

AACI has been providing an array of health and social services for low-income families in Santa Clara County for 40 years. We seek to empower individuals and provide services that help families avoid the payday loan debt trap.

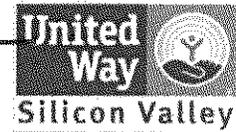
Thank you for your consideration.

Sincerely,



Michele Lew  
President and CEO

Cc: Amber El-Hajj, Senior Planner, Department of Community Development  
Sunnyvale Planning Commission



August 5, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, California 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

On behalf of United Way Silicon Valley, I am writing in support of an ordinance that would place a cap on the number of payday loan outlets in Sunnyvale and establish permitting and distance requirements for new payday loan storefronts.

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.

An ordinance to cap the number of payday lending outlets in the city and to establish permitting and distance requirements for new payday loan storefronts is just one tool in a larger tool box to help people achieve financial stability. Adopting a cap and developing a permitting process and zoning restrictions for these businesses would limit the number of these irresponsible businesses, ensure that the community has a say about the placement of any future payday lenders, and protect vulnerable communities against these predatory lenders.

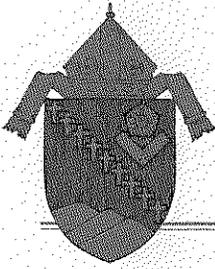
We are proud to partner with a host of organizations throughout Sunnyvale and Santa Clara County working in concert with one another to help families achieve self sufficiency. United Way Silicon Valley provides financial education classes, helps people open bank accounts and raise their credit score. 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. I urge you to support an ordinance to cap the number of payday lending outlets in the city and to establish permitting and distance requirements for new payday loan storefronts.

Sincerely,

A handwritten signature in cursive script that reads "Carole Leigh Hutton".

Carole Leigh Hutton  
President & CEO



AUG 06 2013

Diocese of San Jose

PLANNING DIVISION

Office for Parish Services

August 1, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 West Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I am writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission on Monday, August 26<sup>th</sup> and by the Council on Tuesday, September 24<sup>th</sup>. We are standing with Sunnyvale Community Services and the Coalition Against Payday Predators (CAPP) in urging you to adopt an ordinance putting a cap on the number of payday lenders in the city and setting forth permitting and distance requirements for any new payday loan storefronts.

Having heard about the activities of these lenders, we are concerned about the predatory practices of this industry, particularly as they affect working people who face hardships due to the irresponsibility of these lenders, including the 459% APR and cycle of debt encouraged by these lenders. Through these short term loans at exorbitant rates often targeted to low and middle-income communities, families and individuals become trapped in a cycle of debt from which they cannot escape.

The Catholic Diocese of San Jose represents fifty-four parishes and missions in Santa Clara County. Three of these parishes are located within the City of Sunnyvale. The Catholic Church has a long tradition of standing with the poor and marginalized. As the US Bishops stated:

*All economic life should be shaped by moral principles. Economic choices and institutions must be judged by how they protect or undermine the life and dignity of the human person, support the family and serve the common good.* -A Catholic Framework for Economic Life, 1996

In this spirit, we stand with the working families and those on the margins who are victimized by predatory lenders and respectfully encourage the Council to approve a restrictive payday ordinance when it comes before you.

Sincerely,

Linda L. Batton

Director of Social Ministries

Cc: Amber El-Hajj, Senior Planner, Department of Community Development, Sunnyvale Planning Commission



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## Letter re Payday Lending Study Issue

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don v <thedenzels@gmail.com>

Tue, Aug 20, 2013 at 10:58 AM

To: ael-hajj@sunnyvale.ca.gov

Sunnyvale City Council

Honorable Mayor and Council Members

Sunnyvale City Hall

456 W. Olive Avenue  
Sunnyvale, California 94088-3707

Dear Mayor Spitaleri and Members of the City Council:  
I'm writing as a resident of Sunnyvale; I live at 955 Iris Avenue.

I am writing in regard to the "Payday Lending Study Issue" scheduled to be heard by the Planning Commission in August and the City Council in September. Along with Sunnyvale Community Services, the Coalition Against Payday Predators (CAPP), and numerous local churches and community organizations, I support capping the number of payday loan outlets in the City, and setting forth permitting and distance requirements for any new payday loan storefronts.

I'm concerned about the unfair and predatory practices of this industry, especially the shocking 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for consumers, which create an asset-stripping effect that impacts both the individual and the entire community.

I respectfully ask the Council to approve a restrictive payday ordinance when it comes before you in September.

Sincerely,

Donald P Veith Jr.

ATTACHMENT I  
Page 29 of 30

August 19, 2013

Sunnyvale City Council  
Honorable Mayor and Council Members  
Sunnyvale City Hall  
456 W. Olive Avenue  
Sunnyvale, California 94088-3707

Dear Mayor Spitaleri and Members of the City Council:

I'm writing as a resident of Sunnyvale; I live at 627 E. El Camino Real, Unit 101, Sunnyvale, CA 94087-2978.

I am writing in regard to the "Payday Lending Study Issue," which I understand is scheduled to be heard by the Planning Commission in August and the City Council in September. I agree with Sunnyvale Community Services, the Coalition Against Payday Predators (CAPP), and numerous other local churches and community-based organizations serving Sunnyvale in supporting an ordinance that would put a cap on the number of payday loan outlets in the City, and set forth permitting and distance requirements for any new payday loan storefronts. I believe it is in the interest of Sunnyvale communities for the Planning Commission and City Council to adopt these strong yet reasonable policies to control the growth of the payday loan industry in our city, consistent with other cities in the region.

I'm concerned about the unfair and predatory practices of this industry, especially the shocking 459% APR interest rates on payday loans and the inescapable cycle of debt the loans create for consumers, which create an asset-stripping effect that impacts both the individual and the entire community. Adopting a cap and developing a permitting process and zoning restrictions for these businesses would limit the number of these irresponsible businesses, ensure that the community has a say about the placement of any future payday lenders, and protect vulnerable communities against over concentration.

I respectfully ask the Council to approve a restrictive payday ordinance when it comes before you in September.

Sincerely,

Dolores S. Medeiros