

HORN LAKE PLANNING COMMISSION MEETING
February 26 , 2018 |6:00 P.M. | City Hall

STATE OF MISSISSIPPI
COUNTY OF DESOTO
CITY OF HORN LAKE

Be it remembered that a City of Horn Lake Planning Commission meeting was held in the City Hall Court Room on Monday, **February 26 , 2018** at 6:00 PM, this being the time and place for said meeting.

PRESENT: Commissioners: Amy Marshall, Larry Ray, Jimmy Stokes, Sharon Magee and Robert Kendall, Robert Barber – Interim Planning Director

The minutes from the Januauy 30th meeting were reviewed and Commissioner Ray made a motion to approve the minutes as submitted. The motion was seconded by Commissioner Amy Marshall. The motion passed by unanimous vote.

New Business

1. Applications: There were no development case application to be heard.
2. The public hearing regarding potential amendments to the zoning ordinance regarding Urban Banks was opened.
 - a. Discussion - Mr. Barber stated that the zoning ordinance definition of urban banks was unclear and that the Board declared a moratorium on the definition until clarified.
 - b. Mr. Barber reviewed the attached memo and maps with the planning commission and outlined basic choices.
 - c. Mr. Barber reviewed the results of the “Howard Study” describing the negative effects of Short Term Lenders on communities.
 - d. Comment from the public was called for. No one was present for the comment period. The Public Hearing was closed.
 - e. After discussion, the Planning Commission moved to amend the zoning radiance as follows:
 - i. *Amend Article II, Definitions of the Zoning Code to include “Short-Term Lender: any entity including, but not limited to, check cashing, title loans, small lenders, consumer finance or any other similar type business licensed by the Mississippi Department of Banking and Consumer Finance under MS Code 75-67-1 et seq.”*
 - ii. *Amend Article XII, Table of Uses to replace “Urban Banks” with “Short Term Lenders”*
 - iii. *Amend Article V. - General Provisions and Supplemental Zoning District Regulations to add section stating “Short Term Lenders shall be located no closer than 1000 feet from any other established Short-Term Lender.*

All items on the agenda having been addressed and there being no items under Old Business or any further points of discussion the meeting was adjourned by the Chair.

Respectfully submitted,

Robert Barber, FAICP – City of Horn Lake Interim Planning Director

MEMORANDUM

Date: February 23, 2018
To: City of Horn Lake Planning Commission
From: Robert Barber, FAICP
Subject: Definition of Urban Bank

Commissioners,

As you will recall, the City has enacted a moratorium on “Urban Banks” as listed in the Horn Lake Zoning Ordinance, but currently undefined. The purpose of this moratorium was to allow time to develop a definition of “Urban Bank”.

Discussion and Rationale: The type of financial operation intended to be regulated within the category of “Urban Bank” are those enterprises that fall into the category of consumer finance. Consumer finance is categorically different from the operations of a traditional bank.

Traditional banks (including credit unions and mortgage companies) provide services that include checking, savings and other investment services. Traditional banks make loans for construction, business startup and expansion, and other investments that typically provide community benefit. Banks are regulate in Mississippi under Miss. Code Ann. § 81-5-1 et seq.

In contrast, consumer finance establishments make only loans. These establishments do not take deposits or pay interest on saving. The State of Mississippi regulates the consumer finance entities of check cashiers, consumer loan broker, motor vehicle sales finance, pawnbroker, small loan and title pledge debt management provider, title pledge under MS Code 75-67-1 et seq.

Numerous studies have been completed documenting the negative effects of consumer lending on both the consumer and the broader local economy. Excerpts of one such study (The Economic Impact of Payday Lending, Howard University, 2014) are attached.

Also reference: <https://consumerfed.org/pdfs/Resources.PDL.LocalOrdinanceManual11.13.12.pdf>

Ordinance as Currently Written:

Currently, reference to an Urban Bank is found only in the Use Chart of the Horn Lake Zoning Ordinance as follows:

ARTICLE XII. - USE CHART

Uses Permitted	O	C1	C3	C4	PBP	M1	M2	PUD	OTC
Transportation terminal for air, rail, truck or water						P	P		
Travel trailer parks			C						
Urban Banks (including check cashing, title loan)						C	C		

It is unclear if the definition applies to the full range of consumer finance establishments. Given the community development benefits of traditional banks and concerns related to consumer finance establishments, the following definition is proposed by changing the term Urban Bank to Short Term Lender and amending Article II Definitions to include the following:

~~Urban Bank~~ Short Term Lender: any entity including, but not limited to, check cashing, title loans, small lenders, consumer finance or any other similar type business licensed by the Mississippi Department of Banking and Consumer Finance under MS Code 75-67-1 et seq.

This definition would include personal finance companies, check cashers, title loans and other similar lenders. Adding the definition will require the Article II of the Horn Lake Zoning Ordinance to be amended.

In addition, the Commission may wish to consider an anti-clustering provision of a distance of 1000 feet from any other such lender.