



Memorandum

TO: RULES & OPEN GOVERNMENT
COMMITTEE

FROM: Councilmember
Sam Liccardo

SUBJECT: REGULATION OF BAIL BOND
ESTABLISHMENTS

DATE: March 19, 2009

APPROVE

Sam Liccardo
RH

3-19-09

RECOMMENDATION:

Bring to full Council, through the Community and Economic Development Committee, action to:

1. Modify Title 20 of the San Jose Municipal Code to require that bail bonds operations obtain a Conditional Use Permit (CUP) to operate anywhere (including in any commercial zoning district), regardless of the hour of operation.

2. Impose specific restrictions relating to businesses, to:

- Ban the location of any bail bonds business on the ground floor, but allowing them on the 2nd floor or above, and
- Limit their geographic proximity to schools, day care centers, homes, and other "sensitive receptors," and
- Constrain the excessive density or proliferation of the businesses within a designated area.

3. Impose a temporary moratorium on any building permits for tenant improvements, sign permits, or other authorizations or entitlements for new bail bonds businesses until the Council's final action on an ordinance requiring a CUP.

4. Explore opportunities for the City or County to lease space to bail bonds businesses on the existing Civic Center plaza campuses, within close proximity of the main jail.

5. Consider use of such structures as the City's former Health Building to generate revenues as part of the City's larger efforts to more efficiently utilize City parcels.

6. Consider allowing such businesses to operate 24 hours at the Civic Center site, thereby providing an incentive for these businesses to leave their 1st Street locations when their lease expires.

7. Conduct outreach/coordinate with the County about possible solutions.

8. Continue existing enforcement efforts against unauthorized after-hours operations and illegal signs.

BACKGROUND

In its February 19, 2009 memorandum, Staff recommends an approach that largely leaves us with the *status quo*. Since bail bonds businesses constitute “personal service” uses—which the Zoning Ordinance allows “by right” in certain commercial and industrial zones so long as they do not operate past midnight—they have proliferated unchecked along North First Street and in nearby neighborhoods.

In its memo, staff asserts that “Bail Bond establishments operating during the daytime and evening hours do not raise land use compatibility issues that differ significantly from any other personal service use.” Nothing could be farther from the truth in the minds of the residents living nearby, and of the parents of children at the public Peter Burnett Academy a block away.

For those living in the neighborhoods surrounding the main jail—including Japantown, Vendome, Hyde Park, Hensley, and Rosemary Gardens—the *status quo* is far from satisfactory. At a March 16, 2009 community meeting, community members lamented the rapid proliferation of additional bail bonds businesses, with three or four emerging in just the past five years. According to community members, the unabated intrusion of these businesses has had severe impacts on neighborhood aesthetics, the sense of safety, and the quiet enjoyment of residents’ property. Each meeting brings a “parade of horrors”: repeated tales of late-night yelling and fights, of bail-bonds literature, drug paraphernalia, and beer bottles strewn over front yards, and even some associates of jailed inmates soliciting residents for contributions to “spring” their buddy “out of the joint.” The highest concentration of these businesses, near Hedding and N. 1st Street, lies only a block from the local public school, Burnett Academy.

In the view of one real estate agent, the propagation of so many bail bonds businesses in the neighborhood in the last several years has had a severe adverse impact on housing values, quite independent of the impacts of the current recession. At the community meeting, one upset resident sought to know if the City would compensate her for the proportionate loss in home equity as a result of its *laissez faire* approach to bail bonds businesses. Furthermore, they are taking up prime retail spaces that could otherwise accommodate neighborhood-serving shops and restaurants that would further revitalize the neighborhood.

The City does not require a CUP to operate a bail bonds business before midnight, even though it does impose permit requirements on pawn shops and even sidewalk dining. Massage parlors and adult book stores have geographical restrictions to limit their proximity to schools, homes, and other “sensitive receptors.” Bail bonds businesses do not, and based upon this community testimony it appears that they should.

Other cities have imposed moratoria on new bail bonds businesses and with this memorandum, I seek to determine whether the City can do so, at least in a limited geographic area. Given the growth rate of this industry, the City should “stem the tide” of new bail bonds businesses with a moratorium in this area along North 1st Street until a finished ordinance to establish regulations pertaining to the appropriate locality of these businesses can be enacted.