



# DEPARTMENT OF CITY PLANNING RECOMMENDATION REPORT

**CITY PLANNING COMMISSION**

**DATE:** June 25, 2020  
**TIME:** after 8:30 a.m.\*

**CASE NO:** CPC-2018-4660-CA  
**COUNCIL FILE:** 17-0981  
**CEQA:** ENV-2018-4661-ND  
ENV-2020-3154-CE

**PLACE:** Los Angeles City Hall  
200 North Main Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

**LOCATION:** Citywide  
**COUNCIL DISTRICT:** All  
**PLAN AREAS:** All

**PUBLIC HEARING HELD ON:** December 5<sup>th</sup>, 2018 and January 31<sup>st</sup>, 2019

**SUMMARY:** An ordinance amending Sections 12.21, 12.22, 12.24, and 19.01 of the Los Angeles Municipal Code (LAMC) to create the Restaurant Beverage Program, an administrative process for the on-site consumption of alcohol incidental to a restaurant, subject to a set of eligibility criteria, performance standards, and enforcement procedures.

**RECOMMENDED ACTIONS:**

1. **Recommend** that the City Council determine, based on the whole of the administrative record, that the proposed ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, 15308 (Class 5); and there is no substantial evidence demonstrating that an exception to a categorical exemptions pursuant to CEQA Guidelines Section 15300.2 applies;
2. **Recommend** that City Council determine that based on the whole of the administrative record, the project was assessed in Negative Declaration, No. ENV-2018-4661-ND, that there is no substantial evidence that the project will have a significant effect on the environment;
3. **Recommend** that the City Council adopt the proposed ordinance (Exhibit A);
4. **Adopt** the staff report as the Commission report on the subject; and
5. **Adopt** the Findings (Exhibit B).

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Director of Planning

  
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**ADVICE TO PUBLIC:** \*The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communication may be mailed to the Commission Secretariat, 200 North Spring Street, Room 532, Los Angeles, CA 90012 (Phone No. 213/978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent a week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to these programs, services, and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request no later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at 213/978-1300.

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## Summary

The proposed ordinance (Exhibit A) would create the Restaurant Beverage Program (RBP), an administrative review process that would allow qualifying sit-down restaurants to serve alcoholic beverages without obtaining a Conditional Use Permit (CUP), subject to eligibility criteria, performance standards, and enforcement procedures. The proposed ordinance responds to City Council direction calling for the creation of an administrative process for approval of on-site alcohol sales.

The RBP would offer an alternative to the current discretionary CUP process for qualifying sit-down restaurants, providing an option that could be completed at a fraction of the time and cost. This reduction in time and cost will assist small and locally-owned restaurants, while still requiring them to comply with set standards that meet and exceed the conditions of approval typically applied to restaurants during the CUP process. Selective eligibility criteria, strict performance standards, and new enforcement procedures will promote neighborly practice, limit adverse impacts associated with alcohol sales, and suspend repeat violators from the Program. Bars, nightclubs, entertainment venues, liquor stores, and alcohol retailers would not be eligible. The RBP would also build on the City's efforts to provide relief to small businesses facing economic hardship from the COVID-19 emergency and Safer LA restrictions.

## Initiation and Background

### Initiation

On August 25, 2017, the City Council instructed the Department of City Planning, with the assistance of the City Attorney and the Police Department, to prepare recommendations for a new quicker, less expensive method for approval of on-site alcohol sales subject to a set of standards. On March 21, 2018, City Planning reported back to the City Council, recommending an administrative process to allow certain businesses to serve alcoholic beverages for on-site consumption with a preliminary set of standards.

On August 15, 2018, the City Council instructed City Planning, with the assistance of the City Attorney, to draft an ordinance creating an administrative process for approval of on-site alcohol sales subject to performance standards (CF 17-0981), referencing City Planning's March 2018 report. The Council's instructions to City Planning further called for excluding any establishment that has minimal table service; a limited food menu; food cooked in advance and kept hot, finished, and packaged; or standardized ingredients and/or partially prepared food supplied to each restaurant through controlled supply channels.

### Background

The City began requiring a CUP for on-site consumption of alcoholic beverages in 1977. The City adopted the South Central Specific Plan in 1984, which requires businesses within its boundaries to obtain a CUP to sell alcoholic beverages for off-site consumption. In 1985, the City began requiring a CUP for off-site consumption for the entire City. Section 12.21 A.10 of the Los Angeles Municipal Code (LAMC) prohibits the sale or dispensing of alcoholic beverages for on-site consumption without first obtaining the approval of a Conditional Use Permit (CUP) in accordance with Section 12.24, which limits the availability of such a CUP to establishments on property zoned for commercial or industrial uses. Section 12.21 A.14 requires the same for the sale or dispensing of alcoholic beverages for off-site consumption. The approval of a CUP is required of any alcohol-

related business, including restaurants, bars, and nightclubs, as well as retailers, such as liquor stores and markets.

The CUP for alcoholic beverages is a discretionary process subject to a public hearing and environmental review that can take more than six months and cost more than \$13,000 in permit fees and other expenses. The decision-maker, typically a Zoning Administrator, weighs the project circumstances and public comment in their determination that, if an approval, includes a number of conditions, some of which are tailored specifically to the project and others more standard and typically applied to most projects. Standard conditions address noise, lighting, graffiti, safety, security, training, and monitoring, among other issues. Thousands of restaurants in the City have a CUP that allows them to serve alcoholic beverages, and the City regularly reviews applications for new permits.

In response to the City Council's instructions, City Planning prepared an ordinance that would create the Restaurant Beverage Program (RBP), an administrative review process that would allow select sit-down restaurants to serve alcoholic beverages incidental to dining and subject to eligibility criteria, performance standards, and enforcement procedures. The RBP is intended to assist small businesses, many of which stated during outreach that the RBP would assist them economically, and particularly now in the wake of the COVID-19 emergency. The proposed process would take roughly less than one month to complete and cost approximately \$4,000. Because the process would be ministerial rather than discretionary, the administrative review and clearance would not be subject to California Environmental Quality Act (CEQA) review, public hearings, decision-making, or appeals. However, the RBP would automatically require the typical conditions of approval that are applied to alcohol-related CUPs as a result of the discretionary process.

For establishments such as bars, nightclubs, or late-night restaurants which emphasize alcohol consumption and have the potential to create adverse impacts, the CUP process provides a useful tool for neighbors to weigh in and for the decision-maker to evaluate and address potential impacts. For restaurants where alcoholic beverages are incidental to dining, the CUP process can be time-consuming and costly, even though the vast majority of restaurants are good neighbors to their communities and have few problems related to alcohol service. According to City Planning's Nuisance Abatement and Revocation Unit, restaurants comprise a small portion of establishments that undergo these proceedings. Of 40 currently active cases as of May 2020, only seven are for restaurants with five of the seven selling alcohol. A standardized process would cut down on time and cost while still requiring compliance with set standards that meet and exceed conditions of approval typically applied to restaurants during the CUP process.

At the same time, several communities in the City, often low-income neighborhoods and communities of color, are burdened with public health and safety issues associated with the sale of alcoholic beverages. Issues including substance abuse and crime are seen in areas with a concentration of alcohol-selling establishments such as bars, liquor stores, and local markets promoting alcohol sales. In drafting the ordinance, City Planning considered the public safety and socioeconomic concerns brought forth by communities negatively affected by these problems. In response, the RBP contains selective eligibility criteria, strict performance standards, and new enforcement procedures that aim to limit adverse impacts typically associated with alcohol-selling establishments and exceed the conditions of approval typically applied to restaurants through the CUP process.

City Planning released an initial draft ordinance in October 2018. City Planning collected a large amount of feedback from a diverse array of community groups, business owners, and other

stakeholders throughout the City. This resulted in a substantially modified draft ordinance released in April 2020, which is the proposed ordinance presented in this staff report. The revised draft ordinance contains more selective eligibility criteria that would filter out the types of establishments better suited for a discretionary process, such as bars, nightclubs, and other late-night establishments that emphasize alcohol consumption; additional performance standards to increase community protections and place restrictions on outdoor dining areas and noise; and stronger enforcement procedures where repeated violators would be suspended from the RBP.

As currently designed, the RBP could support the creation of new jobs in an industry that plays an important role in the City's economy, which, prior to the Safer LA restrictions, employed more than 380,000 people and generated more than \$200 million in tax revenue annually. Providing restaurants with a timely and predictable process for obtaining approval to sell alcoholic beverages would enhance these economic benefits and create additional neighborhood amenities, while continuing to hold participating restaurants accountable and protecting nearby residents against potential negative impacts associated with alcohol sales.

The Covid-19 emergency and subsequent stay-at-home orders have presented financial challenges to small and new businesses. Alcohol sales provide a substantial portion of restaurants' revenue and often make or break their viability as a business. A simpler, more predictable, less costly process to serve alcoholic beverages would ease some of the burdens placed on impacted businesses, giving them a boost and reducing the time needed for them to re-open and start hiring people.

Several cities in the Southern California region, such as Santa Monica, Beverly Hills, San Diego, and Fullerton, have implemented a similar administrative review process for restaurants to serve alcohol without a CUP if they follow certain restrictions over the past few years. Each city has different restrictions for restaurants that take advantage of their process, but most relate to restrictions on noise, seating, and allowed activities, such as prohibitions on pool tables and live entertainment, as well as requirements for adequate illumination and proper maintenance of the premises, such as cleaning debris, removing graffiti, and emptying trash bins.

### **City Departments and Agencies Consulted**

Over the course of nearly two years, City Planning met and corresponded with the following City departments and government agencies to develop the proposed ordinance:

- Office of Zoning Administration
- Department of Building and Safety
- City Attorney's Office
- Police Department
- California Department of Alcoholic Beverage Control (ABC)

### **Proposed Ordinance**

The proposed ordinance would create the Restaurant Beverage Program (RBP), an administrative review process that would allow qualifying sit-down restaurants to serve alcoholic beverages without obtaining a CUP, subject to eligibility criteria, performance standards, and enforcement procedures. The proposed process would take roughly less than one month to complete and cost approximately \$4,000.

The proposed ordinance is comprised of four main components:

- **Eligibility Criteria.** Only sit-down restaurants would be eligible for the RBP. Bars, nightclubs, entertainment venues, liquor stores, and alcohol retailers would not be eligible.
- **Performance Standards.** Participating restaurants would have to comply with performance standards that encompass operations, security, and monitoring. Many of these standards mirror typical conditions of approval applied to establishments during the CUP process.
- **Enforcement Procedures.** Participating restaurants would be subject to inspections and penalties for violating the RBP's provisions.
- **Administration.** The proposed ordinance establishes administrative procedures for restaurants to apply for the RBP and fees.

An overview of each of these components is found below.

### Eligibility Criteria

- Restaurants must be maintained as a bona fide eating place with a full menu containing an assortment of food and an operational kitchen where food is prepared on site.
- Food service is available at all times during operating hours.
- The restaurant provides seating and dispenses food and beverages for consumption on the premises and not solely for takeout or delivery.
- A minimum of 20 seats and a maximum of 150, including any outdoor seating.
- The restaurant does not have a drive-through and is not a drive-through, fast-food establishment.
- The restaurant is not a part of any multiple-tenant entitlement, such as a Master CUP.
- Hours of operation are limited to between 7:00 am and 11:00 pm.
- All food and beverages are delivered to tables by employees.
- Restaurants or properties that are actively the subject of nuisance abatement or revocation proceedings are not eligible for the Restaurant Beverage Program. Restaurants or properties that have been the subject of nuisance abatement or revocations proceedings are eligible for the Restaurant Beverage Program upon conclusion of those proceedings only if the restaurant can demonstrate that the proceeding(s) did not result in the revocation of any permit or require any corrective conditions.
- The proposed ordinance also contains alcohol-related eligibility criteria with the following limitations:
  - Employees must conduct all service of alcohol.
  - There is no age limitation restricting access to any portion of the restaurant.
  - There is no minimum drink purchase or charge for admission.
  - There are no pool tables, billiard tables, dancing, or adult entertainment.
  - There is no organizing or participation in organized events where participants or customers pre-purchase tickets or tokens to be exchanged for alcoholic beverages at the restaurant, such as pub crawls.
  - No distilled spirits are sold by the bottle and no wine or champagne bottles that exceed 750 millimeters.
  - No employee, while working, can solicit or accept any beverages from customers while on the premises.
  - No employee, while working, can sit or spend time with customers while on the premises.

**Performance Standards: Development Standards and Operations**

- **Outdoor Seating Restrictions**
  - Only up to 30 percent of the total number of seats may be located outdoors.
  - Outdoor food and beverage service is limited to seated patrons only.
  - Television monitors, screens, music, and speakers are not allowed in outdoor areas.
  - If a restaurant abuts or is across an alley from an agricultural or residential zone, outdoor seating must be limited to the ground floor and must be entirely buffered from the agricultural or residential zone by a wholly enclosed building.
- **Seating Restrictions**
  - The restaurant cannot share seating with other restaurants, such as in dining halls or outdoor patios.
  - The restaurant can only use fixed bars that are depicted on the floor plans. Portable bars are not allowed.
  - Booth and group seating, including private dining and banquet rooms, must not obstruct the view of occupants.
- **Noise Restrictions**
  - Live entertainment, karaoke, or disk jockeys are not allowed on the premises.
  - Entertainment in conjunction with the restaurant is limited to indoor ambient background music at a low volume that is not audible outside of the building.
  - The restaurant must comply with citywide noise regulations. At any time, a City official may visit the site during operating hours to measure the noise levels.
- **Private Events and Clubs**
  - No more than 50 percent of the entire restaurant may be closed to the public for private events or be used as a private club.
  - Any portion of the restaurant used for private events, such as a separate room, is subject to the RBP's requirements.
- **Community Complaints**
  - The restaurant must post a City-issued identification indicating the restaurant is subject to the RBP's requirements.
  - The restaurant must provide and post a telephone number and an email address for complaints or concerns regarding the operation of the restaurant.
  - The restaurant must respond to complaints within 24 hours. In addition, the restaurant must maintain a log of complaints, including the manner in which they were resolved. This log must be made available to the Department of City Planning upon request.

**Performance Standards: Security**

- The interior of the restaurant must be adequately illuminated.
- The exterior of the restaurant must be adequately illuminated. Lighting must not disrupt adjacent properties.
- The restaurant must install and maintain a camera surveillance system to monitor the interior, exterior, entrances, exits, and the front of and around the premises. Recordings must be maintained for at least 30 days and are intended for use by the Police Department.

**Performance Standards: Monitoring**

- The restaurant must maintain the premises and adjoining rights-of-way free of debris and litter.

- The restaurant must monitor both patron and employee conduct on the premises and within the parking areas under its control to prevent behavior that adversely affects or detracts from the quality of life for adjoining neighbors.
- The restaurant must take all reasonable steps to ensure the conditions and activities of the premises and within the parking areas under its control do not adversely affect or detract from the quality of life for adjoining neighbors. Reasonable steps include engaging with the person in conduct of such activities, contacting the Police Department, or timely preventive actions.
- The restaurant must remove or paint over all graffiti on the premises within 24 hours of its occurrence.
- The restaurant must keep all trash and recycling bins closed and locked at all times when they are not in use and maintain them such that they do not overflow.
- Loitering is not allowed in any areas under the restaurant's control. The restaurant must post a "No Loitering or Public Drinking" sign next to every exit.
- The restaurant must retain an electronic age verification device for use during operational hours. The restaurant must instruct all its employees in its use.
- The restaurant must comply with California Labor Code 6404.5, which prohibits the smoking of tobacco or any non-tobacco substance, including electronic smoking devices or hookah pipes, within any enclosed place of employment.
- At least one on-duty manager with authority over the activities within the restaurant must be on the premises at all times to ensure compliance of all applicable state laws, municipal code requirements, and the conditions imposed by the Department of Alcoholic Beverage Control (ABC). The restaurant must discourage any illegal and criminal activity on the premises.
- Within the first six months of the operation under the RBP, all employees involved with the sale of alcoholic beverages must enroll in an appropriate alcohol sales training program administered by the Police Department or ABC. The restaurant must retain proof of completion on the premises. New hires must complete an appropriate alcohol sales training program within three months of their employment.

### **Enforcement Procedures**

- The City has the authority to conduct inspections to verify compliance with the RBP's requirements.
- The restaurant must retain a copy of the RBP's requirements on the premises at all times and produce upon request by the Police Department, Department of Building and Safety, City Planning, or ABC.
- The restaurant must comply with the requirements of the City's Monitoring, Verification, and Inspection Program (MViP). This includes two unannounced inspections within three years.
- If the restaurant receives three citations for violating the RBP's requirements within two years, the restaurant will be suspended from the RBP for five years and would not be able to serve alcoholic beverages unless it obtains a CUP. A citation includes citations issued by the Police Department that have been filed with the Los Angeles County Superior Court or Orders to Comply issued by the Department of Building and Safety.

### **Administration**

- A revocable permit from the Bureau of Engineering, Department of Public Works is required for any outdoor dining area located in the public right-of-way. The restaurant must

provide a copy of the approved revocable permit to City Planning prior to placing any seating in the public right-of-way as permitted by the RBP.

- The restaurant must reapply for the RBP if there is a change in state alcohol license type; a modification to the floor plan, such as a change of floor area or number of seats; or a change in the ownership or the operator of the restaurant.
- Council District Offices, Neighborhood Councils, and the Police Department will be notified whenever a new application is filed within its boundaries.
- The restaurant must provide a floor plan and site plan to City Planning that shows compliance with the RBP's requirements.
- The restaurant owner and operator must execute and record a covenant agreeing to comply with all of the RBP's requirements.
- The restaurant must pay the following fees, which add up to approximately \$4,000:
  - MViP-related fees - \$1,698
  - Miscellaneous Sign-Off - \$2,155

## **Discussion**

### **Eligibility**

Unlike a CUP, the RBP contains eligibility criteria to filter out business models and activities that are likely to cause adverse effects to adjoining neighbors, especially in areas high in crime or with a concentration of alcohol-selling establishments. Only sit-down restaurants, whether new or existing, are eligible for the RBP. Restaurants operating beyond the constraints of the proposed ordinance, such as increased hours of operation or prohibited activities, are not prohibited, but do require a CUP.

In line with City Council instructions, these restaurants must have a full menu containing an assortment of food and a kitchen where food is prepared on-site for consumption on the premises. According to the Department of Building and Safety, a kitchen typically has a preparation area, sink, and varying degrees of equipment, such as a stove and oven. These requirements would help filter out restaurants that cook food in advance and keep hot, finished and packaged.

Food must be available at all times during operating hours and not be prepared solely used for takeout or delivery. The proposed ordinance takes into consideration modern business models that are not full-service restaurants, but would still require all food and beverages to be delivered to patrons at tables. Delivering food to the table is a component of restaurants that primarily focus on food, such that alcoholic beverages become incidental. Lastly, as requested by the City Council, restaurants with a drive-through are not eligible for the RBP, even if they do not plan to sell alcoholic beverages through the drive-through.

Participating restaurants would be required to have a minimum of 20 seats but not more than 150. The minimum ensures that restaurants primarily serve seated patrons and have an adequate amount of table service rather than a focus on takeout or delivery orders, while the maximum establishes a threshold for which large restaurants will need to apply for a CUP for additional review. These parameters would filter out casual food stands and large restaurants, bringing the focus to small, neighborhood-serving restaurants.

Hours of operation would be limited to 7:00 am to 11:00 pm. These hours will ensure that participating restaurants do not engage in late-night activities that resemble those of bars and nightclubs.

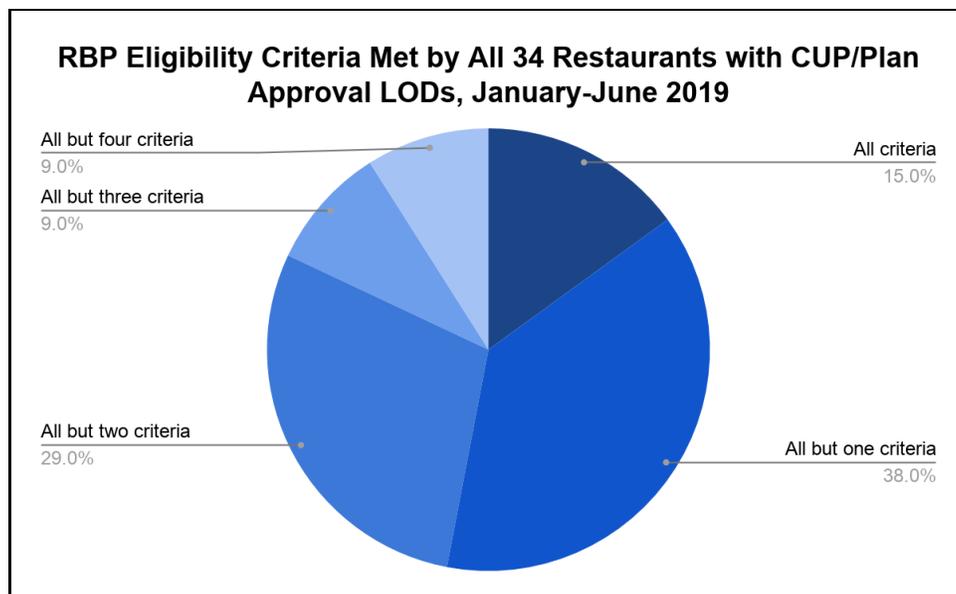
During outreach meetings with stakeholders, attendees were concerned that some restaurants may encourage excess drinking or create a bar- or nightclub-like environment. In response, City Planning added alcohol-related eligibility criteria that aims to filter out restaurants that engage or participate in activities that resemble those of a bar or nightclub, such as minimum drink purchases, charges for admission, and dancing, among others.

Participating restaurants would not be able to be a part of any multiple-tenant entitlement, such as a Master CUP. These types of entitlements typically concern campus-like projects, such as hotels or shopping malls. City Planning recommends that such projects continue to be considered as a whole as it may reveal a need for unique, tailored conditions of approval that greatly differ from the RBP's performance standards.

The Zoning Code permits CUPs for alcohol sales in all commercial and manufacturing zones. The RBP will be available in those zones, except not in the MR1 and MR2 Zones. Currently, restaurants are only allowed by right in the MR Zones if they are accessory to the industrial use on the property; restaurants in the MR Zones that are open to the public are allowed only by CUP. This would negate any benefit offered by the RBP. For this reason, the proposed ordinance would not extend eligibility for the RBP to restaurants in the MR Zones.

Breweries are limited to manufacturing zones. If a brewery is not in an MR Zone and includes a restaurant compliant with the RBP's requirements and restrictions, it would be able to participate in the RBP. However, if such brewery were in an MR Zone, it would require a CUP to serve alcoholic beverages, as restaurants in MR zones are not eligible to participate in the RBP.

City Planning conducted a case study that examined CUP and Plan Approval letters of determination (LODs) from January to June 2019, which found that most of the alcohol-related applications in the City are for restaurants. During the six-month period, the City approved 47 cases from all types of establishments, 34 of which were for restaurants. The case study found that 15 percent of the approved restaurants would have been eligible for the Program. Another 38 percent of the restaurants met all but one of the Program's eligibility criteria and 29 percent met all but two.



For restaurants that qualify, the RBP would be available for new restaurants and for existing restaurants that would like to be able to serve alcoholic beverages. The RBP would also be available to restaurants that are in the process of applying for a CUP. Existing policy allows applicants to withdraw an application and receive a partial refund of the application fees if requested prior to being scheduled for a public hearing. The refund amount is determined by the amount of work City Planning staff have completed at the time the request to terminate was received.

The COVID-19 emergency and Safer LA restrictions resulted in the temporary prohibition of in-person dining, leaving restaurants to rely only on takeout and delivery orders. The State has also relaxed the sale of alcoholic beverages for takeout and delivery. The proposed ordinance was not changed to directly reflect this environment as the RBP is intended to be a permanent program that will exist beyond the current public health emergency and responsive orders. However, during the COVID-19 emergency, participating restaurants would be able to benefit from any temporary permissions for which they may qualify, such as the take-out and delivery of alcoholic beverages.

Restaurants or properties the subject of ongoing, active nuisance abatement or revocation proceedings are not eligible for the RBP. Restaurants or properties that have been the subject of those proceedings may be eligible for RBP only if the proceedings have concluded and did not result in the revocation of any permit or require any corrective conditions. This standard was not included in the April 2020 released draft ordinance.

However, it should be noted that restaurants are not the majority of the types of establishments that go through nuisance abatement and revocations proceedings; as of May 2020, only seven of 40 active cases are restaurants, and only five of them sell alcohol. Liquor stores, nightclubs, motels, and hotels are the more likely subjects of these proceedings, and these businesses are not eligible for the RBP.

### **Performance Standards: Development Standards and Operations**

In conjunction with its eligibility criteria, the RBP's operating standards would ensure that restaurants remain good neighbors to the community. These standards place restrictions on outdoor dining areas, seating, allowed activities in relation to noise, and private events, while enabling avenues for community monitoring.

During outreach meetings with stakeholders, attendees were concerned that outdoor and rooftop dining may create spillover effects on adjoining properties. In response, the proposed ordinance contains outdoor dining restrictions, such that a maximum of 30 percent of the total number of seats can be located outdoors. Outdoor areas are limited to seated patrons to avoid large standing crowds and generation of noise. Television monitors, screens, music, and speakers are prohibited in any outdoor areas.

If a restaurant abuts or is across an alley from an agricultural or residential zone, outdoor dining areas must be limited to the ground floor and must be entirely buffered from the agricultural or residential zoned lot by a wholly enclosed building. This means that the building must have a roof and extend along the entire expanse of the outdoor seating adjoining the agricultural or residential zone.

The RBP's performance standards contain seating restrictions in addition to those in the eligibility criteria. Shared seating between a participating restaurant and other establishments is prohibited, such as in a food court or outdoor patio, as it may introduce new variables that cannot be

accounted for in a citywide program. Booth or group seating must not block the view of occupants to ensure that restaurant staff can adequately monitor all patrons. Lastly, no portable bars are allowed.

Restaurants would not be able to have live entertainment, karaoke, or disc jockeys on the premises. This adds to the list of restricted activities stated in the eligibility criteria: pool tables, billiard tables, dancing, and adult entertainment. Furthermore, participating restaurants must comply with existing citywide noise regulations.

Any form of entertainment is limited to indoor, ambient music at low volume that is not audible outside of the building. This music is meant to complement the dining experience. If the restaurant exceeds the citywide noise regulations, the restaurant will be notified and will be required to modify or eliminate the source of the noise or retain an acoustical engineer to recommend, design, and implement noise control measures within the property.

No more than 50 percent of the entire restaurant may be closed to the public for private events. Portions of the restaurant, such as banquet rooms, that are used for private events are still subject to all of the RBP's requirements, including hours of operation and alcohol-related eligibility criteria.

Several performance standards are designed to assist community members and the City in monitoring participating restaurants and reporting possible violations. When approved for the RBP, restaurants will receive a City-issued identification, which may be in the form of a decal, they must post to be visible outside the restaurant indicating the restaurant is participating in the RBP and subject to all of its requirements and prohibitions, and how to report any potential violations to enforcement agencies. This is a new performance standard created specifically for the RBP and intended to facilitate community involvement and increase restaurant accountability. The City-issued identification will contain information about the RBP's requirements with the aim of assisting community members and enforcing departments in recognizing and reporting violations. This will be of particular importance in areas with a concentration of alcohol-selling establishments contributing to adverse impacts. Restaurants would also be required to provide upon request and post an up-to-date telephone number and email address for complaints and concerns regarding the operation of the restaurant. The restaurant must respond to complaints within 24 hours. In addition, the restaurant must maintain a log of complaints, including the manner in which they were resolved. These performance standards would enable the community and City officials to quickly assess any breach of the RBP's requirements or prohibitions, increasing accountability of the restaurant.

The proposed ordinance does not contain a City Council-requested condition prohibiting outdoor advertisement of alcoholic beverages because the First Amendment of the United States Constitution prohibits content-related restrictions on signs. As a result, advertisement restrictions are not a condition that is typically applied to establishments during the CUP process. There are exceptions to this prohibition, but the nature of the proposed ordinance would not qualify.

### **Performance Standards: Security**

Participating restaurants must create and maintain a safe environment for patrons and adjoining neighbors. As part of the RBP's security requirements, they must adequately illuminate the interior and exterior of the premises. They must also install and maintain in operation at all times a camera surveillance system to monitor the interior, entrances, exits, and exterior areas. Recordings must be retained for at least 30 days and are intended for use by the Police Department.

### **Performance Standards: Monitoring**

Additional requirements would require participating restaurants to adequately monitor patrons and employees on the premises and take preventive measures to minimize behavior that adversely affects or detracts from the quality of life for adjoining neighbors. This includes discouraging any illegal or criminal activity and taking all reasonable steps to cease such behavior. Many of the monitoring performance standards mirror conditions of approval typically applied to establishments during the CUP process. These requirements include proper maintenance of the premises, discouraging illegal and criminal activity of any kind on the premises, including calling law enforcement agencies, and enrolling employees in an alcohol sales safety training program. These requirements were included to help minimize public safety impacts associated with alcohol-selling establishments, especially in communities that are burdened with an overconcentration of these establishments.

Participating restaurants must also retain an electronic age verification device on the premises for use and instruct its employees on its use. Participating restaurants will be required to check patrons' age when serving alcoholic beverages to ensure that underage drinking does not occur.

During community meeting briefings, some attendees expressed privacy concerns about electronic age verification devices, specifically whether these devices could be used to store private information when an identification card or driver's license is swiped or scanned. The requirement of an electronic age verification device is a standard condition of CUPs as an effort to prevent underage drinking. The device must comply with California law, which prohibits businesses from using or maintaining information for any other purpose than verifying a customer's age.

### **Enforcement Procedures**

Enforcement of the RBP's requirements and prohibitions will be executed by the Department of Building and Safety and the Police Department. As previously mentioned, community members may also report possible violations to these departments.

Under the MViP, the restaurant will be subject to two unannounced inspections within three years. The owner or operator would be notified of any deficiencies or violations and be required to correct them. The restaurant would be required to post a City-issued identification indicating it is subject to the RBP's requirements and must retain a copy of the RBP's requirements on the premises at all times.

In responding to the initial draft of the ordinance, stakeholders voiced their concerns about inadequate enforcement, which at the time consisted only of enrollment in the MViP. City Planning sought to address this concern by working with the Department of Building and Safety to develop a new enforcement process to resolve multiple or continued violations. If a restaurant receives a total of three citations filed with the Los Angeles Superior Court by the Police Department or Orders to Comply issued by the Department of Building and Safety for violating the RBP's requirements or prohibitions within a two-year period, it would get suspended from the RBP for five years.

The City's existing nuisance abatement and revocation proceedings in the Zoning Code would still apply to participating restaurants, regardless of the new enforcement or penalties established under the proposed ordinance. However, as previously mentioned, restaurants are the small minority of cases that are typically the subject of nuisance abatement and revocation proceedings.

In meetings with stakeholders, attendees expressed concerns about enforcement and the effectiveness of the MViP. The MViP started in 2015, and every establishment that obtains a CUP for alcoholic beverages must enroll in this program. The MViP's goal is to ensure an establishment's compliance of conditionally approved uses and to proactively monitor these uses. Under the RBP, a restaurant would be subject to an unannounced inspection within two years of RBP enrollment, and a second unannounced inspection within three years of the first inspection.

### **Administration**

A restaurant would apply for the RBP by visiting one of the City's Development Services Centers and submitting an application. City Planning staff would review the application, floor and site plans, and, if applicable, a revocable permit for sidewalk dining to ensure compliance with the RBP's eligibility criteria. The owner and operator would be required to execute and record a covenant agreeing to comply with the RBP's requirements and prohibitions. The restaurants would also need to enroll in the MViP. The application fees add up to approximately \$4,000.

The applicable City Council district office and neighborhood council will be notified of new applications at the time they are filed. The Police Department, which was not included in the April 2020 released draft ordinance, will also be notified of new applications. The proposed ordinance does not require an active letter of acknowledgement from the applicable City Council district office for new applications. An administrative review process, which the City Council requested, does not lend itself to a letter of acknowledgement because there would be no decision-maker to weigh public comment.

The City Council instructed City Planning to examine the feasibility of including term limits or a renewal process in the ordinance. The proposed ordinance requires that participating restaurants reapply for the RBP if there is a change in State alcohol license type, owner or operator, or a modification to the floor plan, such as a change in floor area or number of seats. However, it does not include term limits or a renewal process. Requiring participating restaurants, especially small restaurants, to continuously reapply would present a financial hardship when the City Council's main objective was to create a quicker, more affordable process to assist restaurants.

### **Exclusion of a Public Hearing or Similar Component**

Many stakeholders suggested that the proposed ordinance include a public hearing or a public comment period during the application process. The City Council also instructed City Planning to examine the feasibility of including an appeal process. While such components are a vital part of the CUP process, they were not included in the proposed ordinance because these components are typically part of a discretionary process as opposed to the City Council-requested administrative process. A public hearing or a public comment period is useful when there is a decision-maker that reviews information to weigh judgement on an application. However, as is the case with ministerial processes, the RBP would not have a decision-maker; if a restaurant meets all eligibility criteria, then it would be authorized administratively to serve alcohol. Similarly, an appeal process is typically only available for discretionary decisions, except to call into question whether a permit may have been issued in error, but not as an avenue for discretion or public comment. If an administrative clearance is in error, it can be undone. Excluding a public hearing or comment period would maintain consistency with current practices.

The same reasoning applies to the suggestion for a public hearing if a neighborhood council submits a community impact statement within an established time period. There would be no

decision-maker to weigh public comment or apply discretion. As requested by the City Council, applicants would either qualify for the administrative review process or not.

While the RBP does not include a public hearing, the proposed ordinance adds community protections through a robust set of eligibility criteria, performance standards, and enforcement procedures that meet or exceed the conditions of approval that are typically applied during the CUP process. Only restaurants with a full menu and kitchen would be eligible, and additional eligibility criteria would place restrictions on hours of operation and seating and require food to be available at all times and delivered to patrons at tables. The RBP would also exclude restaurants with bar- or nightclub-like practices, such as minimum drink purchases, admission charges, age restrictions, pub crawls, and dancing. Performance standards would place restrictions on noise and outdoor areas and require restaurants to adequately monitor employee and patron behavior and properly maintain the premises. Lastly, participating restaurants would be required to enroll in the MViP, just as establishments that sell alcoholic beverages with a CUP. Enforcement procedures exceed that of a CUP and would suspend repeat violators from the RBP.

Neighborhood councils and council district offices will be notified whenever a new application is filed within their boundaries. Participating restaurants would be required to post a City-issued identification indicating it is subject to the RBP's requirements, making it easier for community members to spot and report possible violations.

### **Alcohol Sales**

Under the RBP, a restaurant would be able to serve a full line of alcohol as long as it has the appropriate state license. The state licenses that authorize the sale of alcoholic beverages for on-site consumption in eating places are License Type 41, which is for beer and wine, and License Type 47, which is for a full-line of alcohol. Both license types require the establishment to be a bona fide eating place with suitable kitchen facilities that makes actual and substantial sales of meals for consumption on the premises.

Some stakeholders expressed the concern that the RBP's lack of a public hearing or public comment period would push community concerns to the California Department of ABC, causing delays in processing of applications for state alcohol licenses. City Planning communicated this to ABC officials who responded that there has not been a delay in issuing state licenses in other cities in the vicinity that have adopted similar processes.

A food-to-alcohol sales ratio standard was not included in the proposed ordinance. ABC already includes and enforces a requirement to make actual and substantial sales of meals as a part of the license for restaurants.

Some stakeholders suggested the RBP only allow restaurants to serve beer and wine instead of a full line of alcohol. City Planning determined that the RBP should focus on the land use implications of alcoholic beverages being served and consumed at restaurants instead of the types of alcohol offered. The RBP focuses on minimizing adverse impacts that are typically associated with the sale of alcoholic beverages, regardless if the restaurant serves beer and wine only or a full line of alcohol, through selective eligibility criteria and strict performance standards. For instance, participating restaurants must have a full menu and kitchen and close by 11:00 pm, must have food available at all times, and deliver all food and beverages to patrons at tables. The RBP would also prohibit bar- or nightclub-like practices, such as minimum drink purchases, admission charges, age limitations, pub crawls, dancing, and live entertainment. Restaurants must follow more than a dozen measures intended to minimize noise and adequately monitor

employee and patron behavior to not disturb neighbors. The intent of these measures is to limit negative impacts to communities whether a restaurant sells beer and wine only or a full line of alcohol. Additionally, a restaurant would still need to obtain the appropriate state license to sell a full line of alcohol.

Some stakeholders also suggested the RBP prohibit promotions involving reduced prices for food and beverages, often referred to as a “happy hour.” The City does not regulate the pricing of products, and this would apply for “happy hours” as well.

### **Concentration**

During the discretionary CUP process, the decision-maker examines establishments and uses within a 1,000-foot radius of the applicant. These include other alcohol-serving or selling establishments, residential buildings, and sensitive uses such as houses of worship, schools, hospitals, public playgrounds. Additional factors, such as high rates of crime and nuisance abatement and revocation cases, are taken into account before a decision is made. Although this is an important component of the review involved in the CUP process, this type of analysis, as requested by the City Council, may not be suitable for a process that is administrative rather than discretionary. Ministerial processes do not have decision-makers that can assess individual details. It would be difficult to develop thresholds that make sense on a citywide basis, and they run the risk of being too permissive or too restrictive absent a decision-maker’s judgement. Instead, the RBP includes a robust set of selective eligibility criteria, strict performance standards, and new enforcement procedures that go beyond the conditions of approval that are typically applied to restaurants during the CUP process. These requirements are intended to limit negative impacts on communities that face high crime rates, alcohol abuse, and other burdens associated with the sale of alcohol.

For instance, participating restaurants must have a full menu and kitchen, close by 11:00 pm, and deliver food and beverages to tables. These restaurants cannot have bar- or nightclub-like practices, such as minimum drink purchases, admission charges, pub crawls, or age limitations. Furthermore, the restaurant or property cannot be the subject of ongoing nuisance abatement and revocation proceedings. Participating restaurants are not allowed to have loud music, live entertainment, DJs, dancing, karaoke, and adult entertainment. To assist with enforcement, restaurants must post City-issued identification that states they are subject to the RBP’s requirements and information about how to access those requirements. Additionally, restaurants must adequately monitor all employee and patron behavior and take all reasonable steps to prevent adverse behavior, including calling the Police Department. If a restaurant receives three citations for violating from the Department of Building and Safety or the Police Department, it will be suspended from the RBP for three years. Additionally, community members will be able to report possible violations to these departments.

### **Crime**

The attached City of Los Angeles 2019 LAPD Reported Crime Statistics Map (Exhibit F) contains the number of crimes reported per reporting area throughout the City. Most of the City’s criminal activity is located along commercial corridors, particularly in Hollywood and Downtown, and in the neighborhoods of Skid Row and South Los Angeles. Stakeholders have raised concerns that an administrative process for restaurants to be able to serve alcoholic beverages would increase crime, especially in the areas described.

In an effort to minimize the possibility of an increase in crime due to the RBP, restaurants or properties the subject of ongoing nuisance abatement or revocation proceedings are not eligible for the RBP. Restaurants or properties that have been the subject of those proceedings may be eligible for RBP only if the proceedings have concluded and did not result in the revocation of any permit or require any corrective conditions. Establishments are referred to these proceedings when they are involved in crimes that severely affect adjoining neighbors, such as the sale of narcotics or drugs, murder, prostitution, disturbing the peace, and disorderly conduct. Liquor stores and nightclubs, which are more often the subjects of these proceedings than restaurants, would not be eligible for the RBP.

The proposed ordinance also contains selective eligibility criteria, strict performance standards, and new enforcement procedures that aim to limit adverse impacts related to crimes in communities. The RBP is limited to bona fide restaurants that have a full menu and kitchen, close by 11:00 pm, and are used for in-person dining. Specific eligibility criteria would prohibit activities that resemble those of a bar or nightclub, including loud music, live entertainment, DJs, dancing, karaoke, and adult entertainment. Restaurants must install a camera surveillance system, adequately illuminate the outside of the restaurant, and post a "No Loitering" sign. Restaurants would be required to adequately monitor patrons and employees to discourage illegal or criminal behavior on the premises. This includes taking all reasonable steps, such as calling law enforcement, to cease such behavior. If a restaurant is found to repeatedly violate the RBP's requirements and allow illegal, criminal, or nuisance behavior, it will be suspended from the RBP.

### **Restaurants Near Sensitive Uses**

Restaurants participating in the RBP would not detrimentally affect sensitive uses such as places of worship, schools, day care facilities, and parks. The proposed ordinance's eligibility criteria and performance standards limit participation to sit-down restaurants, where the service of alcoholic beverages is merely incidental to the dining experience. These restaurants would be required to serve food at all hours they are in operation, close by 11:00 pm, and deliver all food and beverages to patrons at tables. Noise-creating activities such as loud music, live entertainment, DJs, dancing, karaoke, and adult entertainment would be prohibited. Any indoor background music must not be audible from the outside. Outdoor seating is restricted to 30 percent of total seats, and outdoor areas next to residences must be buffered by an entire building. Rooftop dining next to residences is prohibited. Participating restaurants must adequately monitor all employee and patron behavior to limit and cease any activities that adversely affect adjoining neighbors. Restaurants that repeatedly violate these prohibitions and requirements will be suspended from the RBP.

### **Economic Development and Post-Adoption Outreach Plan**

The RBP's main objective is to assist small restaurants, which are businesses less likely to have capital from investors and would most benefit from a more efficient, predictable, and affordable process, to be able to serve alcoholic beverages incidental to dining. While the RBP would be available to all eligible sit-down restaurants, small, local, and minority-owned businesses have the most to gain from the new process. With less time and cost compared to the CUP process, the RBP would be a point of entry for eligible businesses to open or expand, and in turn help diversify the types of businesses that are located in a community. As a result, the Program has the potential to facilitate local economic and employment opportunities.

Community members have raised concerns about the RBP promoting proliferation of non locally-owned businesses. While the ordinance cannot be written to selectively apply only to locally-

owned businesses, the City can proactively educate local business owners and community members about the RBP and how they can make use of and benefit from it.

City Planning has developed a multifaceted outreach plan, which would be implemented following the adoption of the RBP, aimed at educating community members, small business owners, and other parties known to have an interest in the RBP. This educational campaign is intended to provide owners and prospective owners of small, locally-owned restaurants an opportunity to learn about and apply for the RBP, providing them with an advantage to open and grow in their community. Outreach efforts will also focus on disseminating educational materials that will educate community members and restaurants about the RBP's requirements to assist with compliance and inform community members how to report potential violations.

More specifically, City Planning will utilize its website to promote and inform interested restaurant owners and prospective owners about RBP and its provisions. City Planning will create a landing page devoted to the RBP that would be accessible from the City Planning homepage and linked from the Development Services page. The RBP landing page will outline the step-by-step RBP application process and inform prospective applicants of the restaurant's responsibilities under the RBP, including information about enforcement and enrollment in the MViP. City Planning will also develop a portal that would allow online submissions of RBP applications to facilitate accessibility.

City Planning will develop brochures that outline information about the RBP, including how to apply, and disseminate them through local business groups, City Council offices, neighborhood councils, business improvement districts, Office of Finance, and the City's Development Services Centers. Distribution may involve City Planning staff attending some of these organization's meetings to provide an overview and answer questions. City Planning will work with City Council offices to develop particular outreach efforts they deem appropriate and target local minority-owned business groups and individual businesses to inform them how to apply for the RBP. All information and materials will be available in Spanish and by request in other languages.

To reach a broad audience, City Planning will host a webinar that will walk businesses through the process, including helpful tips for small and minority-owned businesses. Given the uncertainty brought forth by the COVID-19 emergency, it is unclear whether in-person meetings would be safe or allowed at the time of the proposed ordinance's adoption. The webinar will be recorded and maintained on City Planning's website and shared with the groups and organizations previously mentioned, as was done with the update information session webinar held in May 2020.

### **Deemed Approved Alcohol Ordinance**

City Planning is also working on a proposed ordinance that would create a set of performance standards for establishments that are "deemed to be approved" to legally sell alcoholic beverages without a CUP for both on-site and off-site consumption. These are businesses that legally obtained a state license to sell alcoholic beverages but were established before the City's requirement to have a CUP and therefore have been "deemed approved". Because they have not gone through the CUP process, they are not subject to any conditions of approval. As a result, some of these establishments have contributed to public safety and nuisance-related issues in many parts of the City. City Planning has met with various stakeholders, community groups, and businesses to collect feedback and understand issues that need to be addressed in an ordinance. As a result of the Covid-19 emergency and Safer LA restrictions, planned meetings have been

temporarily postponed, but City Planning is in the process of planning workshops to engage additional stakeholders. City Planning hopes to release an initial draft ordinance later this year.

## **Public Participation**

City Planning released an initial draft of the ordinance to the public on October 17, 2018. The ordinance text, hearing notice, and fact sheet were sent to known interested parties, to all certified Neighborhood Councils, and all City Council offices. Staff conducted outreach and collected input via in-person meetings with key individuals and organizations and written correspondence from individuals and organizations.

Staff held in-person meetings and made presentations to gather detailed feedback from key stakeholders, both during the preparation of the draft ordinance and after the public release. The following groups were consulted:

### **Stakeholder Groups**

- Small businesses representatives
- Local restaurant industry representatives
- Consultant groups in the restaurant and hospitality industry
- San Pedro Chamber of Commerce
- BID Consortium
- Community members from Brentwood/Westwood
- Los Angeles Drug and Alcohol Policy Alliance (LADAPA)
- Social Model Recovery Systems
- Community Coalition (CoCo)
- San Fernando Valley Partnership

### **Neighborhood Councils**

- Los Angeles Neighborhood Council Coalition (LANCC)
- Harbor Alliance of Neighborhood Councils (HANC)
- Valley Alliance of Neighborhood Councils (VANC)
- Westside Regional Alliance of Councils (WRAC)
- South Los Angeles Alliance of Neighborhood Councils (SLAANC)
- Alliance of River Communities (ARC)
- Empowerment Congress North Area Neighborhood Development Council (NANDC)
- PlanCheck Neighborhood Councils

City Planning held two staff-level public hearings to gather input on the initial draft of the ordinance. The first one was held in December 2018 in the morning in Downtown. The second one was held in January 2019 in the evening in Van Nuys. A total of 52 individuals signed in at the first hearing, and 37 signed in at the second. Details of the hearings are as follows:

In addition to oral testimony given during the hearings, City Planning received 69 items of written correspondence (emails and letters) regarding the initial draft of the ordinance. Of these, 31 expressed a position that may be characterized as opposed, 14 as opposed unless amended, 12 as neutral, and nine as in support. The remaining three items of correspondence did not state an identifiable position. Sources of written comments included:

## The following stakeholders:

- Alcohol Justice
- Behavioral Health Services
- Brentwood Community Council
- California Home Builders
- Church of the Resurrection
- Coalition to Prevent Alcohol Related Harms in Los Angeles Metro
- Community Coalition
- Community Intelligence LLC
- FE Design & Consulting
- Greater San Fernando Valley Chamber of Commerce
- Hancock Park Homeowners Association
- Los Angeles Drug and Alcohol Policy Alliance
- Mendocino Farms
- Pueblo y Salud
- Social Model Recovery Systems
- South Park Business Improvement District
- UNITE HERE Local 11
- West of Westwood Homeowners Association
- Westside Impact Project
- Westwood South of Santa Monica Homeowners Association
- 12 individuals

## The following certified Neighborhood Councils:

- Arleta Neighborhood Council
- Boyle Heights Neighborhood Council
- Central Hollywood Neighborhood Council
- Empowerment Congress North Area Neighborhood Development Council
- Foothill Trails District Neighborhood Council
- Granada Hills South Neighborhood Council
- Greater Echo Park-Elysian Neighborhood Council
- Greater Valley Glen Neighborhood Council
- Harbor Gateway North Neighborhood Council
- Mid-Town North Hollywood Neighborhood Council
- Northwest San Pedro Neighborhood Council
- Silver Lake Neighborhood Council
- Sun Valley Area Neighborhood Council
- Sunland-Tujunga Neighborhood Council
- Westside Neighborhood Council
- Wilshire-Center Koreatown Neighborhood Council

### Summary of Feedback

Due to the amount of initial feedback received after the 2018 draft ordinance was released, City Planning continued outreach and further development of the ordinance. The following is a summary of feedback heard and discussion.

- Participating restaurants might encourage excess drinking or create a bar-like environment. In response, staff created alcohol-related eligibility requirements.
- Outdoor and rooftop dining may create spillover effects on surrounding properties. In response, staff added outdoor dining area restrictions.
- The inspections requirement (at that time, only two inspections within three years under the MVIP) is inadequate. Staff responded by working with the Department of Building and Safety adding an enforcement procedure that results in suspension from the RBP. This penalty policy is in addition to the existing nuisance abatement and revocation proceedings already in the Code.
- The RBP administrative process deprives residents of a say in how local establishments operate. Variants of this concern called for a public hearing and/or Neighborhood Council notification requirement to be incorporated into the Program. While a public hearing would be inconsistent with the goal of establishing an administrative review process, staff did

incorporate a requirement that Neighborhood Councils and Council District offices be notified upon the filing of a case.

- During outreach, City Planning also heard from communities about the lack of businesses that serve the community, as well as their concern that the RBP could promote outside restaurants at the expense of locally-owned small businesses. Post adoption, the City intends to work with Council Offices to host information sessions and distribute educational materials in English and Spanish to inform small, local, and minority-owned businesses about the RBP and provide guidance on how to utilize the Program to bolster locally-owned businesses.

On April 15, 2020, City Planning released a revised draft ordinance that addressed many of the concerns from stakeholders. The ordinance text and an updated fact sheet were sent to known interested parties, to all certified Neighborhood Councils, and all City Council offices.

On May 6, 2020, City Planning hosted an informational session webinar in English and Spanish that presented the revised draft ordinance's background and provisions and answered questions from attendees. The webinar and presentation materials were uploaded to the City Planning website and distributed to known interested parties.

City Planning will report to the Ad Hoc Committee on Comprehensive Job Creation Plan and the Planning and Land Use Management Committee after City Planning Commission action.

## **Conclusion**

The proposed RBP would give qualifying sit-down restaurants the option of serving alcoholic beverages as an incidental part of the dining experience, while limiting operations and imposing specialized enforcement mechanisms to preserve neighborhood quality of life. The RBP balances the need to protect communities with the Council motion's goal of reducing costs and processing time for an important segment of the restaurant industry, while simultaneously providing desired amenities for the benefit and enjoyment of residents.

## **Exhibits**

- A. Proposed Ordinance
- B. Land Use and Environmental Findings
- C. Notice of Exemption
- D. City Council's Instructions
- E. City of Los Angeles 2019 LAPD Reported Crime Statistics Map

## **EXHIBIT A: PROPOSED ORDINANCE**

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Sections 12.21, 12.22, 12.24, and 19.01 of the Los Angeles Municipal Code (LAMC) to create the Restaurant Beverage Program, an administrative process for the sale or dispensing of on-site alcohol, subject to a set of standards and enforcement procedures.

**THE PEOPLE OF THE CITY OF LOS ANGELES DO HEREBY ORDAIN AS FOLLOWS:**

**Section 1.** Subdivision 10 of Subsection A of Section 12.21 of the Los Angeles Municipal Code is amended to read as follows:

10. Notwithstanding any other provisions of this Code to the contrary, no building, structure or land shall be used for sale or dispensing for consideration of any alcoholic beverage, including beer and wine, for consumption on the premises except upon premises approved for that use in accordance with the provisions of Section 12.24, or if the establishment complies with all the requirements and standards under Section 12.22 A.34 (Restaurant Beverage Program).

The provisions of this subdivision shall not abrogate, however, any right to the continued use of premises for these purposes pursuant to Section 12.24L. ~~Certain restaurants may be excepted from the provisions of this subdivision and Section 12.24 pursuant to authority of the Zoning Administrator contained in Section 12.24X2.~~

**Sec. 2.** A new Subdivision 34 is added to Subsection A of Section 12.22 of the Los Angeles Municipal Code to read as follows:

**34. Restaurant Beverage Program.** In the CR, C1, C1.5, C2, C4, C5, CM, M1, M2, and M3 Zones, the sale or dispensing of alcoholic beverages for consumption on the premises shall be allowed administratively without obtaining a conditional use approval as otherwise required by Section 12.21 A.10 of this Code if the below requirements are met.

**(a) Eligibility.** Only restaurants that comply with the following are eligible for the Restaurant Beverage Program:

(1) Establishments maintained as a bona fide eating place (restaurant) with an operational kitchen where food is prepared on-site and with a full menu containing an assortment of foods. Food service is available at all times during operating hours. The restaurant provides seating and dispenses food and refreshments for consumption on the premises and not solely for the purpose of food takeout or delivery.

(2) Restaurants or properties that are or have been the subject of nuisance abatement or revocation are eligible for the Restaurant Beverage Program upon conclusion of those proceedings only if the applicant can demonstrate that the proceeding(s) did not result in the revocation of any permit or require any corrective conditions.

(3) Restaurant having between a minimum of 20 patron seats and a maximum of 150 patron seats, including any outdoor seating.

(4) The establishment is not a drive-through fast food establishment, as defined in LAMC Section 12.03.

(5) The restaurant shall not be part of any multiple-tenant entitlement pursuant to Section 12.24 W.1 of the LAMC.

(6) Daily hours of operation are limited to the hours between 7:00 am and 11:00 pm for both indoor and outdoor areas. There is no after-hours use of the establishment, other than for routine clean-up and maintenance.

(7) All food and beverages are delivered to tables by employees.

(8) There are no pool tables or billiard tables.

(9) There is no dancing or Adult Entertainment pursuant to LAMC Section 12.70.

(10) There is no minimum drink purchase required of patrons.

(11) There is no charge for admission.

(12) The restaurant does not organize or participate in organized events where participants or customers pre-purchase tickets or tokens to be exchanged for alcoholic beverages at the restaurant.

(13) All service of alcoholic beverages is conducted by an employee.

(14) The restaurant does not sell distilled spirits by the bottle, or wine or champagne bottles that exceed 750 milliliters.

(15) No employee, while working, shall solicit or accept any alcoholic or non-alcoholic beverage from any customer while on the premises.

(16) No employee, while working, shall be engaged for the specific purpose of sitting with or otherwise spending time with customers while on the premises.

(17) There is no age limitation restricting access to any portion of the restaurant.

**(b) Development Standards and Operations.**

(1) A maximum of 30 percent of the total number of patron seats may be located outdoors.

(2) There shall not be any shared seating between the restaurant and other restaurants.

(3) The restaurant shall only use fixed bars that are depicted on floor plans. Portable bars are prohibited.

(4) Where booth or group seating is provided, no walls or partitions separating the booth or seating area from the main dining room shall be installed which exceed 48 inches in height above the surface on which occupants' feet are intended to rest. Where a private dining or banquet room is provided, a minimum of 50 percent of the vertical surface area of that portion, extending up to six feet above the floor, of any wall or partition separating the private dining or banquet room from the main dining room shall be fully transparent and ensure the occupants are visible to persons looking into the private dining or banquet room.

(5) For properties abutting or across an alley from an A or R zoned lot:

(i) outdoor seating associated with the restaurant shall be entirely buffered from the A or R zoned lot by a wholly enclosed building. This requirement shall not apply to outdoor dining permitted on a public sidewalk by a Revocable Permit; and

(ii) outdoor seating is limited to the ground floor only.

(6) Outdoor food and beverage service shall be limited to seated patrons.

(7) There shall be no live entertainment, karaoke, or disc jockeys on the premises.

(8) Television monitors or screens shall be prohibited in any outdoor areas.

(9) There shall be no music or speakers permitted in any outdoor areas.

(10) Entertainment in conjunction with the restaurant is limited to indoor ambient music to complement the dining experience, and shall be limited to background music at a low volume that is not audible outside of the building.

(11) Any music, sound or noise which is under control of the restaurant shall not violate Sections 112.06 or 116.01 of the Los Angeles Municipal Code (citywide noise regulations). At any time, a City official may visit the site during operating hours to measure the noise levels. If, upon inspection, it is found that the noise level exceeds those allowed by the citywide noise regulations, the owner/operator will be notified and will be required to modify or eliminate the source of the noise or retain an acoustical engineer to recommend, design, and implement noise control measures within the property, such as noise barriers, sound absorbers, or buffer zones.

(12) A City-issued identification shall be posted by the restaurant in an area clearly visible to the public, indicating that the restaurant is subject to the requirements and restrictions of the Restaurant Beverage Program.

(13) No more than 50% of the entire restaurant may be closed to the public for private events.

(14) Any portion of the restaurant used for private events shall be subject to all the same provisions and hours of operation stated herein.

(15) A telephone number and an email address shall be provided for complaints or concerns regarding the operation of the restaurant. The phone number and email address shall be posted on a sign at least 8.5 × 11 inches in size, which shall be updated to reflect any changes, at the following locations:

- (i) Entry, visible to pedestrians
- (ii) Customer service desk, front desk or near the reception area

(16) Complaints shall be responded to within 24 hours by the restaurant. The restaurant shall maintain a log of all calls and emails, detailing the date the complaint was received, the nature of the complaint, and the manner in which the complaint was resolved. This log shall be made available to the Department of City Planning upon request.

**(c) Security.**

(1) Within the restaurant, the interior shall be adequately illuminated so as to make discernible all objects and persons, or have a minimum average surface illumination of 2.0 footcandles (21.5 lx).

(2) All exterior portions of the site shall be adequately illuminated in the evening so as to make discernible the faces and clothing of persons utilizing the space, or have a minimum average surface illumination of 0.2 footcandles (2.15 lx). Lighting shall be directed onto the site without being disruptive to persons on adjacent properties.

(3) A camera surveillance system shall be installed and in operation at all times to monitor the interior, entrance, exits and exterior areas, in front of and around the premises. Recordings shall be maintained for a minimum period of 30 days and are intended for use by the Los Angeles Police Department.

**(d) Monitoring.**

(1) The restaurant shall be responsible for maintaining the premises and adjoining rights-of-way free of debris and litter.

(2) The restaurant shall be responsible for monitoring both patron and employee conduct on the premises and within the parking areas under its control to prevent behavior that adversely affects or detracts from the quality of life for adjoining residents, property owners, and businesses.

(3) The restaurant shall take all reasonable steps to ensure the conditions and activities on the premises and within the parking areas under its control do not adversely affect or detract from the quality of life for the adjoining

residents, property owners, and businesses. For purposes of this subparagraph (3), reasonable steps include, but are not limited to:

(i) Requesting that those persons engaging in conduct that constitutes a nuisance to cease such conduct, unless the owner or operator has reasonable cause to believe such request may jeopardize their personal safety;

(ii) Contacting the Police Department or other law enforcement agency if the owner or operator's attempts to abate the nuisance conduct have been unsuccessful, or if the owner or operator has reasonable cause to believe such attempts may jeopardize their personal safety;

(iii) Timely preventive actions to address conditions that facilitate loitering and other nuisance activity on the premises, such as removing furniture from areas adjacent to the entry of the restaurant, prohibiting persons from using any portion of the premises for the installation and/or operation of a temporary business or other use, and/or other preventive actions.

(4) Within 24 hours of its occurrence, all graffiti on the property under the restaurant's control shall be removed or painted over to match the color of the surface to which it is applied.

(5) All trash and recycling bins under control of the restaurant shall be kept closed and locked at all times when they are not in use, and shall be maintained such that they do not overflow.

(6) Loitering is prohibited on all areas under the control of the restaurant. A "No Loitering or Public Drinking" sign that is a minimum of 4 x 6 inches shall be posted outside next to every exit.

(7) An electronic age verification device shall be retained on the premises available for use during operational hours. This device shall be maintained in operational condition and all employees shall be instructed in its use.

(8) The restaurant shall comply with California Labor Code 6404.5 which prohibits the smoking of tobacco or any non-tobacco substance, including from electronic smoking devices or hookah pipes, within any enclosed place of employment.

(9) A minimum of one on-duty manager with authority over the activities within the restaurant shall be on the premises at all times that the restaurant is open for business. The on-duty manager's responsibilities shall include the monitoring of the premises to ensure compliance with all applicable State laws, Municipal Code requirements and the conditions imposed by the Department of Alcoholic Beverage Control (ABC). The restaurant shall be responsible for discouraging illegal and criminal activity on the subject premises and any exterior area under its control.

(10) Within the first six months of operation or the administrative clearance, all employees involved with the sale of alcohol shall enroll in the Los Angeles Police Department “Standardized Training for Alcohol Retailers” (STAR) or Department of Alcoholic Beverage Control “Licensee Education on Alcohol and Drugs” (LEAD) training program or the Responsible Beverage Service (RBS) Training Program. Upon completion of such training, the restaurant shall request the Police Department or Department of Alcohol Beverage Control to issue a letter identifying which employees completed the training. Said letter shall be maintained on the premises and shall be made available to the City upon request. STAR or LEAD or RBS training shall be conducted for all new hires within three months of their employment.

**(e) Administration.**

(1) A Revocable Permit from the Bureau of Engineering, Department of Public Works is required for any outdoor dining area located in the public right-of-way. A copy of the approved Revocable Permit, including a plot plan and any conditions thereto, shall be provided to the Department of City Planning prior to placing any seating in the public right-of-way as permitted by this administrative clearance.

(2) The owner or the operator shall reapply for the administrative clearance if there is:

- (i) a change in State alcohol license type;
- (ii) a modification to the floor plan, including, but not limited to, floor area or number of seats; or
- (iii) a change in the ownership or the operator of the restaurant.

(3) The City shall have the authority to conduct inspections to verify compliance with any and all of the requirements pursuant to Section 12.22 A.34 of this Code. Prior to the City’s administrative clearance, the applicant shall pay the fees required per LAMC Section 19.01 E.3 for Monitoring Restaurant Beverage Program Compliance and Inspection and Field Compliance Review of Operations. The applicant shall comply with the requirements of the City’s Monitoring, Verification, and Inspection Program (MViP). In complying with the MViP program, the restaurant is subject to the following:

(i) Within the first 24 months of the administrative clearance, a MViP inspector will conduct a site visit to assess compliance with, or violations of, any of the operating standards. A second inspection shall take place after 36 months of the first inspection.

(ii) The owner and operator shall be notified of the deficiency or violation and required to correct or eliminate the deficiency or violation. Multiple or continued documented violations or Orders to Comply issued by the Department of Building and Safety which are not addressed within

the time prescribed, may result in additional corrective actions taken by the City.

(4) A copy of the Restaurant Beverage Program requirements, LAMC Section 12.22 A.34, shall be retained on the premises at all times and produced upon request by the Police Department, the Department of Building and Safety, the Department of City Planning, or the California Department of Alcoholic Beverage Control.

(5) If three citations for violating the Restaurant Beverage Program, LAMC Section 12.22 A.34 (a) through (e), are issued to the restaurant in a two-year period, the restaurant shall not be eligible to use Section 12.22 A.34 as an exception to Section 12.21 A.10 or Section 12.24 W. of the LAMC for five years commencing on the date of the third citation.

(i) A citation shall include citations issued by the Police Department that have been filed with the Los Angeles County Superior Court or Orders to Comply issued by the Department of Building and Safety.

(ii) The California Department of Alcoholic Beverage Control may be notified by the Los Angeles Police Department or other enforcement agency of the issued citations, which may affect the State issued alcohol license.

(6) The City Council District Office, the Los Angeles Police Department, and the Certified Neighborhood Council within which the restaurant is located shall be notified at the time an application for the Restaurant Beverage Program, pursuant to LAMC Section 12.22 A.34, is filed. If the restaurant is not within the boundaries of a Neighborhood Council, then notification to only the applicable Council District Office shall be sufficient.

(7) The owner and operator shall provide a floor plan and site plan to the Department of City Planning that shows compliance with the applicable floor plan and site plan standards pursuant to Section 12.22 A.34 of the LAMC.

(8) Prior to the administrative clearance, the owner and operator shall execute and record a covenant and agreement satisfactory to the Director of Planning, acknowledging that the owner and operator shall agree to comply with each of the provisions set forth in this subdivision. A certified copy bearing the Recorder's number and date shall be provided to the Department of City Planning. The agreement shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the requirements attached must be submitted to the Department of City Planning for approval before being recorded.

**Sec. 3.** Subdivision 2 of Subsection X of Section 12.24 of the Los Angeles Municipal Code is hereby deleted.

**Sec. 4.** Subdivision 3 of Subsection E of Section 19.01 of the Los Angeles Municipal Code is amended to read as follows:

3. The following fees shall be charged pursuant to Sections [12.22 A.34](#), 12.24 F. and 12.24 Z.2 of this Code for costs associated with permit clearance, condition compliance monitoring and inspections conducted by the City, and revocation proceedings.

Type of Application	Fee
Miscellaneous Sign-Off - Zoning Administrator (moved to Section 19.04)	-
Miscellaneous Sign-Off - Zoning Administrator Single Family Dwellings with No Exceptions (moved to Section 19.04)	-
Monitoring of Conditional Use Permits (Sections 12.24 F., 12.24 M., 12.24 W., 12.24 X.)	\$952
<a href="#">Monitoring Restaurant Beverage Program Compliance (Section 12.22 A.34)</a>	<a href="#">\$952</a>
Field Verification Prior to Operations (Sections 12.24 F., 12.24 M., 12.24 W., 12.24 X.)	\$253
Inspection and Field Compliance Review of Operations (Sections <a href="#">12.22 A.34</a> , 12.24 F., 12.24 M., 12.24 W., 12.24 X.)	\$746
Revocation, Suspension or Restriction Proceedings for Non-Compliance of Conditions (Deposit) (Section 12.24 Z.)	\$5,000

The Planning Department shall calculate actual costs and the resultant fee in accordance with Section 5.121.9.2, Chapter 6 of Division 5 of the Los Angeles Administrative Code, and shall maintain appropriate accounting records of the actual costs. The Director of Planning shall resolve any dispute related to the fee. The Director shall exclude from consideration any cost incurred or attributed to the processing of appeals.

**Sec. 5.** The City Clerk shall certify that ...

**EXHIBIT B: LAND USE AND ENVIRONMENTAL  
FINDINGS**

## Land Use Findings

In accordance with **City Charter Section 556**, the proposed ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan. The proposed ordinance furthers the following objective and policy of the General Plan:

### Framework Element (Chapter 7 Economic Development):

**Objective 7.4.** Improve the provision of governmental services, expedite the administrative processing of development applications, and minimize public and private development application costs.

The proposed ordinance would create the Restaurant Beverage Program (RBP), an administrative review process that would allow qualifying sit-down restaurants to serve alcoholic beverages without obtaining a Conditional Use Permit (CUP), subject to eligibility criteria, performance standards, and enforcement procedures. The proposed Program introduces an administrative process that can be completed in a fraction of the time and cost it takes to obtain a CUP without compromising on good-neighbor, enforcement, and security requirements and prohibitions. Furthermore, providing an alternative processing route will not only reduce uncertainty and costs for qualifying sit-down restaurants, but will also reduce the backlog of cases for the Department of City Planning and allow for more efficient allocation of staff resources.

**Policy 7.4.1** Develop and maintain a streamlined development review process to assure the City's competitiveness within the Southern California region.

Several cities in the Southern California region, such as Santa Monica, Beverly Hills, San Diego, and Fullerton, have implemented a similar administrative review process to serve alcohol. The proposed ordinance will improve the City's competitiveness with other cities in the region which are already offering this option. These processes allow eligible restaurants to serve alcohol without a CUP if they follow certain restrictions. Each city has different restrictions for restaurants that take advantage of such a process, but most relate to restrictions on noise, seating, and allowed activities, such as prohibitions on pool tables and live entertainment, seating, as well as requirements such as adequate illumination and proper maintenance of the premises, such as cleaning debris, removing graffiti, and emptying trash bins.

**Policy 7.4.3** Maintain development fee structures that do not unreasonably burden specific industry groups, are financially competitive with other cities in the region, and reduce uncertainty to the development community.

Obtaining a CUP for alcoholic beverages can take more than six months and cost more than \$13,000 in permit fees and other expenses. A quicker, more predictable, and more affordable approval process to serve alcohol would assist small and locally-owned businesses, most of which are assets to their communities and do not have problems related to alcohol. These businesses have the most to gain from this proposed ordinance, with the opportunity to create new economic and employment opportunities for local residents. Furthermore, the RBP will build on the City's efforts to provide relief to small businesses facing economic hardship due to the COVID-19 emergency and Safer LA restrictions. And as previously mentioned, the proposed ordinance will improve the City's competitiveness with other cities in the region which are already offering this option.

**Policy 7.10.1** Focus available implementation resources in centers, districts, and mixed-use boulevards or "communities of need."

The RBP's main objective is to assist small businesses, which are less likely to have capital from investors, by creating a quicker, more predictable, and more affordable process by which they can obtain local authorization to serve alcoholic beverages. While the RBP is available to all eligible sit-down restaurants, small, locally-owned, and minority-owned businesses have the most to gain from the new process. With less time and reduced cost compared to the CUP process, the RBP can be a point of entry for these businesses to open or expand, and in turn help diversify the types of businesses that are located in a community. This may result in economic and employment opportunities for local residents, reduced traffic, and community empowerment.

### **Environmental Findings**

Approval of the project is supported by the Negative Declaration and Categorical Exemption (ENV-2018-4661-ND, ENV-2020-3154-CE) prepared for this project. The Negative Declaration concludes that the proposed ordinance would not have a significant effect on the environment, and therefore, an Environmental Impact Report is not required.

In accordance with the California Environmental Quality Act (CEQA), the proposed ordinance meets the criteria of a Categorical Exemption pursuant to CEQA Guidelines Section 15301 (Existing Facilities), because it would involve a negligible expansion of use. Furthermore, there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies.

It is reasonably anticipated the proposed ordinance will not be associated with significant environmental impacts. The proposed ordinance is not anticipated to directly or indirectly result in any new development. It does not change zoning or General Plan designation, create any zoning entitlements, approve any development projects or introduce any new land uses. It does not directly authorize new restaurants to be built and is only available where restaurants are an allowed use. There is no basis to find that the Project would induce substantial numbers of new restaurants in the City. Furthermore, the proposed ordinance contains measures to avoid environmental impacts, such as noise and adverse behavior.

The Negative Declaration was published in the Los Angeles Times on May 7, 2020, opening a 30-day period to receive comments. It reflects the lead agency's independent judgment and analysis. On the basis of the whole of the record before the lead agency, including any comments received, the lead agency finds that there is no substantial evidence that the proposed ordinance will have a less than significant effect on the environment.

## **EXHIBIT C: NOTICE OF EXEMPTION**

<p>CITY OF LOS ANGELES OFFICE OF THE CITY CLERK 200 NORTH SPRING STREET, ROOM 395 LOS ANGELES, CALIFORNIA 90012 <b>CALIFORNIA ENVIRONMENTAL QUALITY ACT</b> <b>NOTICE OF EXEMPTION</b> (PRC Section 21152; CEQA Guidelines Section 15062)</p>	
<p>COUNTY CLERK'S USE</p>	
<p>Filing of this form is optional. If filed, the form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, CA 90650, pursuant to Public Resources Code Section 21152(b) and CEQA Guidelines Section 15062. Pursuant to Public Resources Code Section 21167 (d), the posting of this notice starts a 35-day statute of limitations on court challenges to reliance on an exemption for the project. Failure to file this notice as provided above, results in the statute of limitations being extended to 180 days.</p>	
<p>PARENT CASE NUMBER(S) / REQUESTED ENTITLEMENTS <b>CPC-2018-4660-CA</b></p>	
<p>LEAD CITY AGENCY <b>City of Los Angeles (Department of City Planning)</b></p>	<p>CASE NUMBER <b>ENV-2020-3154-CE</b></p>
<p>PROJECT TITLE <b>Restaurant Beverage Program Ordinance</b></p>	<p>COUNCIL DISTRICT <b>Citywide</b></p>
<p>PROJECT LOCATION (Street Address and Cross Streets and/or Attached Map) <b>Citywide</b></p>	<p><input type="checkbox"/> Map attached.</p>
<p>PROJECT DESCRIPTION: <b>An ordinance creating an administrative review process for select sit-down restaurants to sell or dispense alcoholic beverages for on-site consumption, subject to a set of standards. Also see attachment.</b></p>	<p><input checked="" type="checkbox"/> Additional page(s) attached.</p>
<p>NAME OF APPLICANT / OWNER: <b>City of Los Angeles (Department of City Planning)</b></p>	
<p>CONTACT PERSON (If different from Applicant/Owner above) <b>Roberto Luna</b></p>	<p>(AREA CODE) TELEPHONE NUMBER   EXT. <b>(213) 473-9701   N/A</b></p>
<p>EXEMPT STATUS: (Check all boxes, and include all exemptions, that apply and provide relevant citations.) STATE CEQA STATUTE &amp; GUIDELINES</p> <p><input type="checkbox"/> STATUTORY EXEMPTION(S) Public Resources Code Section(s) _____</p> <p><input checked="" type="checkbox"/> CATEGORICAL EXEMPTION(S) (State CEQA Guidelines Sec. 15301-15333 / Class 1-Class 33) CEQA Guideline Section(s) / Class(es) <b>Sec. 15301 / Class 1</b></p> <p><input type="checkbox"/> OTHER BASIS FOR EXEMPTION (E.g., CEQA Guidelines Section 15061(b)(3) or (b)(4) or Section 15378(b) ) _____</p>	
<p>JUSTIFICATION FOR PROJECT EXEMPTION: <input checked="" type="checkbox"/> Additional page(s) attached <b>Please see attachment.</b></p> <p><input checked="" type="checkbox"/> None of the exceptions in CEQA Guidelines Section 15300.2 to the categorical exemption(s) apply to the Project. <input type="checkbox"/> The project is identified in one or more of the list of activities in the City of Los Angeles CEQA Guidelines as cited in the justification.</p>	
<p>IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT ISSUED BY THE CITY PLANNING DEPARTMENT STATING THAT THE DEPARTMENT HAS FOUND THE PROJECT TO BE EXEMPT. If different from the applicant, the identity of the person undertaking the project.</p>	
<p><b>CITY STAFF USE ONLY:</b></p>	
<p>CITY STAFF NAME AND SIGNATURE <b>Roberto Luna,</b> </p>	<p>STAFF TITLE <b>Planning Assistant</b></p>
<p>ENTITLEMENTS APPROVED <input checked="" type="checkbox"/></p>	
<p>FEE:</p>	<p>RECEIPT NO.</p>
<p>REC'D. BY (DCP DSC STAFF NAME)</p>	

Attachment to Notice of Exemption from CEQA  
ENV-2020-3154-CE

**PROJECT DESCRIPTION**

The project is a proposed ordinance establishing an administrative review process that allows qualifying restaurants to sell or dispense alcoholic beverages for on-site consumption, as an alternative to a discretionary Conditional Use Permit process. Participating restaurants must meet eligibility criteria intended to limit the project to bona fide dine-in restaurants, as well as operational standards designed to prevent adverse impacts on the surrounding neighborhood. Participating restaurants must have an operational kitchen, offer a full menu during operating hours, and may not offer food exclusively for takeout or delivery. Drive-through fast food restaurants are not eligible. No live entertainment, adult entertainment or dancing is allowed, and restaurants are subject to citywide noise regulations. The operator must keep the premises clear of graffiti, litter, and loitering. The establishment is prohibited from being leased out to promoters charging admission for parties advertised and open to the public, and any private parties held on the premises are subject to the same standardized set of limitations and requirements as the restaurant. The establishment must comply with provisions that protect against crime and unlawful use of alcohol, such as lighting, camera surveillance, age verification equipment, and required specialized training for alcohol service for all employees. The establishment must maintain a log to collect and respond to complaints. The establishment must display City-issued identification indicating that the restaurant is subject to the special requirements and restrictions being proposed in this ordinance. The establishment is required to enroll in the Monitoring, Verification, and Inspection Program, which provides unannounced inspections by the City. Participants not adhering to the standardized set of limitations and requirements are subject to enforcement measures.

**JUSTIFICATION FOR CEQA EXEMPTION  
(Class 1, Category 15301 Existing Facilities)**

Pursuant to CEQA Guidelines Section 15301, Article 19 Categorical Exemption Class 1 exempts projects that consist of operations or minor alterations of existing facilities involving negligible or no expansion of existing or former use. The key consideration is whether the project involves negligible or no expansion of use.

The project is a proposed ordinance establishing an administrative review process that allows qualifying restaurants to sell or dispense alcoholic beverages for on-site consumption, subject to a set of standards. The project impacts the operations of existing restaurants but does not authorize activities that would intensify the use of any restaurant beyond the baseline conditions. The project does not authorize any construction projects or changes to floor plans. Therefore, the project would involve a negligible expansion of use.

Pursuant to CEQA Guidelines Section 15300.2, none of the exceptions to qualifying for a Categorical Exemption apply. The project does not authorize any construction projects, and thus will not result in a construction project having a significant effect or unusual circumstance, or affect scenic highways, hazardous waste sites, or historical resources. Also, the project does not authorize any new uses that are not already allowed by the underlying zone, as the project only provides for administrative review for alcoholic beverages being served in eligible full-service restaurants that would otherwise be allowed to operate.

## **EXHIBIT D: CITY COUNCIL'S INSTRUCTIONS**

SHANNON D. HOPPE  
EXECUTIVE OFFICER



ERIC GARCETTI  
MAYOR

Council and Public Services Division  
200 N. SPRING STREET, ROOM 395  
LOS ANGELES, CA 90012  
GENERAL INFORMATION - (213) 978-1133  
FAX: (213) 978-1040

PATRICE Y. LATTIMORE  
ACTING DIVISION MANAGER

[CLERK.LACITY.ORG](http://CLERK.LACITY.ORG)

When making inquiries relative to  
this matter, please refer to the  
Council File No.: [17-0981](#)

## OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

August 15, 2018

**Council File No.:** [17-0981](#)

**Council Meeting Date:** August 14, 2018

**Agenda Item No.:** 2

**Agenda Description:** CONTINUED CONSIDERATION OF COMMUNICATION FROM CHAIR, AD HOC ON COMPREHENSIVE JOB CREATION PLAN COMMITTEE and PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT relative to the creation of an administrative process for issuing over-the-counter on-site alcohol Conditional Use Permits.

**Council Action:** Communication from Chair, Ad Hoc on Comprehensive Job Creation Plan Committee, Planning and Land Use Management Committee Report, Amending Motions 2C (Harris-Dawson - Huizar) and 2D (Krekorian - O'Farrell) - ADOPTED AS AMENDED

**Council Vote:**

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
YES	GILBERT A. CEDILLO
YES	MITCHELL ENGLANDER
YES	MARQUEECE HARRIS-DAWSON
YES	JOSE HUIZAR
NO	PAUL KORETZ
YES	PAUL KREKORIAN
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
YES	CURREN D. PRICE
YES	MONICA RODRIGUEZ
YES	DAVID RYU
YES	HERB WESSON

HOLLY L. WOLCOTT  
CITY CLERK

Adopted Report(s)

<b>Title</b>	<b>Date</b>
Amending Motions 2C and 2D	08/14/2018
Report from Planning and Land Use Management Committee	05/22/2018
Communication from Chair, Ad Hoc on Comprehensive Job Creation Plan Committee	04/18/2018

- 20

### AMENDING MOTION

I MOVE that Item 2 on today's agenda ( CF 17-0981 Krekorian – Blumenfield) be amended to instruct the Department of City Planning to:

1. Provide analysis on the ministerial granting of Conditional Use Permit (CUP) applications so that onsite consumption will not result in an undue concentration of establishments dispensing onsite sales. This analysis should include the number and proximity of such establishments within a one thousand foot radius of the site, the crime rate in the area ( involving public drunkenness, the illegal sale or use of narcotics, drugs or alcohol, disturbing the peace and disorderly conduct) and whether revocation or nuisance proceedings have been initiated on the establishment applying for the CUP.

2. Provide analysis to ensure the streamline granting of ministerial approvals for CUP for onsite alcohol consumption will not detrimentally affect nearby residentially zoned communities in the area with attention to the distance of the proposed use from the following sensitive uses: churches, schools and daycare facilities, parks and other similar uses.

3. Provide language that would exclude any establishment that has minimal table service, limited menu, food cooked in bulk in advance and kept hot, finished and packaged to order from being ineligible for the streamlining the CUP process. This should also apply to any establishment that utilizes standardized ingredients and/or partially prepared foods and supplies to each restaurant through controlled supply channels.



PRESENTED BY: \_\_\_\_\_

MARQUEECE HARRIS- DAWSON

Councilmember, 8th District



SECONDED BY: \_\_\_\_\_

JOSE HUIZAR

Councilmember, 14th District

ORIGINAL

AUG 14 2018



2 D

I MOVE that in the matter of Ad Hoc on Comprehensive Job Creation Plan Committee relative to the creation of an administrative process for issuing over-the counter on-site alcohol Conditional Use Permits (CF: 17-0921), BE AMENDED to include the following analysis in the public hearings and City Planning Commission process:

1. To clarify that this process may only be used for on-site alcohol licenses.
2. Recommendations for a condition preventing locations that have been subject to previous nuisance abatement and/or revocation from using this process.
3. Provide notification to Council Offices, neighborhood councils and LAPD.
4. Recommendations on the feasibility of including an appeal process.
5. Recommendations on the feasibility of establishing term limits or a renewal process under the condition compliance unit.
6. Recommendations on including a condition preventing outdoor advertisement of alcohol.
7. Recommendations on including a condition prohibiting drive through establishments from participating in this process.

Presented by: Paul Krekorian  
PAUL KREKORIAN  
Councilmember, 2ND District

Seconded by: Kit O'Dell

AUG 14 2018

CITY OF LOS ANGELES

**File No. [17-0981](#)**

COMMUNICATION FROM CHAIR AND MEMBER, AD HOC COMMITTEE ON COMPREHENSIVE JOB CREATION PLAN relative to the creation of an administrative process for issuing over-the-counter on-site alcohol Conditional Use Permits.

Recommendations for Council action:

1. INSTRUCT the Department of City Planning (DCP), with the assistance of the City Attorney, to draft an Ordinance amending Zoning Code Sections 12.22 and 12.24 to create an administrative process for business that meet the Prospective Standard Limitations, and include:
  - a. Clarification that Prospective Standard Limitation No. 25 (of the Attachment to the DCP report dated March 21, 2018) will not prohibit outdoor dining if the project is abutting or across an alley from an agricultural or residential zoned lot, but would do so if the project's outdoor dining area is abutting or across an alley from such zones.
  - b. A requirement that that the DCP provide notification to Neighborhood Councils of an application in their areas along with the Prospective Standard Limitations that the business would have to abide by.
  - c. A more detailed definition of what constitutes background music or ambient music.
2. INSTRUCT the DCP to hold staff-level public hearings on this matter and report to the Ad Hoc Committee on Comprehensive Job Creation Plan and Planning and Land Use Management Committee with the draft Ordinance.

Fiscal Impact Statement: None provided by the DCP. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes.

Against:

Mid-Town North Hollywood Neighborhood Council

Against unless amended:

Northwest San Pedro Neighborhood Council

SUMMARY

At a special meeting held on April 18, 2018, the Chair and a Member of the Ad Hoc Committee on Job Creation Plan considered a DCP report dated March 21, 2018 relative to the creation of an administrative process for issuing over-the-counter on-site alcohol Conditional Use Permits.

Representatives of the DCP provided an overview of the DCP report on the matter and responded to related questions. During discussion of the matter, the Committee inquired about the Prospective Standard Limitation No. 21 relative to prohibiting live entertainment, but allowing background or ambient music. The DCP representatives explained that the purpose of the

Limitation was to prohibit live entertainment such as bands, performers, etc. that were intended to be the primary source of entertainment, as well as amplified music. DCP clarified that the proposed Standards would allow a person, such as a pianist, harpsichordist, etc., to provide ambient or background music as long as the music was not amplified. However, the Committee requested that the DCP provide a more detailed definition of what would constitute "background music or ambient music."

Additionally, the Committee Chair requested that DCP consider changes to the Prospective Standard Limitation No. 25 that prohibits outdoor dining or dining in the public right-of-way if the project is abutting or across an alley of "A" (Agricultural) or "R" (Residential) zoned lots. The Chair mentioned an example of the numerous establishments along Ventura Boulevard in his district that have outdoor dining in the front of the establishment while abutting a Residential zone at the rear of the business, and that the City would want to continue encouraging this. However, the DCP representatives noted instances where the outdoor dining might be located on the side of the project and continue to the rear of the project or is primarily located at the rear, and in such cases would be disruptive to the abutting Residential Zone. The Committee Chair requested that the DCP amend the Prospective Standard Limitation to allow outdoor dining for projects abutting or across an alley from the above-mentioned zones, but prohibit the outdoor dining if that dining area abuts or is across an alley from those zones.

Lastly, the Committee Chair requested that the DCP provide notification to Neighborhood Councils whenever there is an application by a business for an administrative or express alcohol consumption Conditional Use Permit for a project in their areas, and also notify them of the Standard Limitations with which the business must comply.

After further consideration, and after providing an opportunity for public comment, the Chair and Member of the Ad Hoc Committee on Job Creation Plan instructed the DCP, with the assistance of the City Attorney, to prepare a draft Ordinance amending the Zoning Code to create an administrative process for businesses that meet the Standard Limitations to obtain alcohol consumption Conditional Use permits (including the changes/clarifications to the Prospective Standard Limitations Nos. 21 and 25 as detailed in the Recommendations above), and report to the Ad Hoc Committee on Job Creation Plan and Planning and Land Use Management Committee with the draft Ordinance. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

COUNCILMEMBER PAUL KREKORIAN, CHAIR  
AD HOC COMMITTEE ON JOB CREATION PLAN

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
KREKORIAN:	YES
WESSON:	ABSENT
ENGLANDER:	ABSENT
BLUMENFIELD:	YES

HARRIS-DAWSON: ABSENT

REW 4/25/18 FILE NO. 17-0981

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

**File No. [17-0981](#)**

PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT relative to the on-site alcoholic consumption subject to standard set of operational standards.

Recommendations for Council action:

1. INSTRUCT the Department of City Planning (DCP), with the assistance of the City Attorney, to draft an Ordinance creating an administrative process for on-site alcoholic consumption subject to standard set of operational standards, as described in the DCP report dated March 21, 2018, attached to the Council file.
2. INSTRUCT the DCP to report on the following:
  - a. Provide notifications to the Council Offices.
  - b. Have an active letter of acknowledgement from the Council Office on the file.
  - c. Provide which recommendation would the DCP prefer.
  - d. Provide concentration of crime (mapping) statistics.
3. REFER the matter to the Los Angeles City Planning Commission.

Fiscal Impact Statement: None submitted by the DCP. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes.

Against: Mid-Town North Hollywood Neighborhood Council

Against unless amended: Northwest San Pedro Neighborhood Council

Summary:

At a regular meeting held on May 22, 2018, the PLUM Committee considered a DCP report regarding on-site alcoholic consumption administrative process. Staff from the DCP provided the Committee an overview of the current process and how to incorporate changes. After an extension discussion and an opportunity for public comment, the Committee recommended for the DCP to prepare a draft Ordinance for the Los Angeles City Planning Commission consideration. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

PLANNING AND LAND USE MANAGEMENT COMMITTEE

<u>MEMBER:</u>	<u>VOTE:</u>
HUIZAR	ABSENT
HARRIS-DAWSON	ABSENT
ENGLANDER	YES
BLUMENFIELD	YES
PRICE	YES

SD

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

**EXHIBIT E: CITY OF LOS ANGELES 2019 LAPD  
REPORTED CRIME STATISTICS MAP**

Exhibit E

