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January 10, 2022

Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, California 90012

Attn: Planning and Land Use Management Committee

**PROPOSED RESTAURANT BEVERAGE PROGRAM ORDINANCE EXISTING FEE
ASSESSMENT; CF 17-0981**

Dear Honorable Members:

On May 25, 2021, the Economic Development and Jobs Committee requested the City Attorney's Office, with the assistance of the Department of City Planning (DCP), to prepare and present an ordinance which would amend Section 12.22 of the LAMC to create the Restaurant Beverage Program and Restaurant Beverage Program- Alcohol Sensitive Use Zone. These Programs would be exceptions to the Conditional Use Permit (CUP) requirement to sell and dispense alcoholic beverages for on-site consumption pursuant to Section 12.21 A.10 of the LAMC for eligible sit-down restaurants only. This proposed Ordinance would reduce the cost and time needed to obtain local approval to serve alcohol for both applicants and the City. The intention of the proposed Ordinance is to support local businesses and promote economic development, especially in light of the economic and public health impacts of the COVID-19 pandemic.

The application process, for both versions of the RBP, will include the submission of required documents and the payment of two fees to the DCP for proactive inspections. These fees are identical in their amount to fees currently existing in Section 19.01 E.3 of the LAMC, "Monitoring of Conditional Use Permits" and "Inspection and Field Compliance Review of Operations." Given that Section 19.01 E.3 lists fees for Conditional Uses and both versions of the RBP would be administrative clearance processes, two new fees were created that would be more appropriately located in Section 19.04, which include fees for Sign-off requirements, and be named "Monitoring Restaurant Beverage Program" and "Inspection and Field Compliance Review of Operations - Restaurant Beverage Program," respectively.

Currently, all new alcohol-selling establishments seeking a CUP to sell and dispense alcoholic beverages are subject to two proactive, unannounced inspections within 36 months and must pay the existing fees listed above during clearance and effectuation. The inspections are conducted by the Department of Building and Safety (DBS) to ensure compliance of Conditions of Approval and may result in an Order to Comply if a violation is found. All participating restaurants in both versions of the RBP would be the subject to these same proactive, unannounced inspections to

ensure compliance with the Programs' provisions. The fees outlined in the Ordinance under Section 19.04 of the LAMC would pay for these inspections at the time of application. Repeated violations of the Programs' provisions would result in suspension from the Programs.

The existing fees were first adopted by the City Council in May 2015 (Ordinance 183,581) and were updated by the Comprehensive Fee Update (Ordinance 187237) adopted by the City Council in October 2021. The updated fees are effective December 27, 2021. The fees, supported by Fee Studies, are based on the costs, labor, and average amount of time needed for DCP and DBS staff to complete necessary tasks. Specifically, the "Monitoring of Conditional Use Permits" covers the work involved for DCP staff to send inspection requests to DBS and to carry out other tasks involved, including record-keeping, for monitoring compliance over time. The "Inspection and Field Compliance Review of Operations" fee covers the costs for DBS to conduct the two proactive, unannounced inspections. The proposed Restaurant Beverage Program fees and the existing fees would serve identical functions in that they would pay for the proactive inspections for alcohol-serving establishments conducted by the Department of Building and Safety, the primary difference is where the fees are referenced within the LAMC given they are different entitlement processes, and when the fees are required to be paid.

This assessment shows that the fee requirement in the proposed Ordinance is reasonable and consistent with the existing fees prescribed in Section 19.03 E.3 of the LAMC. Therefore, the Department recommends the adoption of this fee assessment as part of the record for the proposed Ordinance, and justification for the utilization of the fees as part of the adoption and implementation of the proposed Ordinance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Vincent P. Bertoni', with a stylized flourish at the end.

VINCENT P. BERTONI, AICP
Director of Planning

VB:AV:NM:HSC:LR:rl