

RESOLUTION

WHEREAS, the restaurant and hospitality industry is a vitally important part of the City's economy employing 380,000 and generating more than \$200 million in tax revenues to the City prior to the COVID-19 pandemic; and

WHEREAS, under the Los Angeles Municipal Code, a restaurant can only be permitted to sale alcohol by obtaining a Conditional Use Permit (CUP) or meeting the eligibility requirements for a Conditional Use Exception (CUE); and

WHEREAS, the CUP process can often be time consuming and costly for both applicants and City staff and resources, hindering entrepreneurs' ability to create or expand their businesses; and

WHEREAS, very few restaurants are eligible for and have utilized the CUE process; and

WHEREAS, the City recognizes that the public health and economic impacts of the COVID-19 pandemic, and further appreciates the need to facilitate temporary Zoning Code relief to support the local economy and livelihood of those living and working in the City; and

WHEREAS, the City intends to create a new streamlined process known as the **Restaurant Beverage Program, AND Restaurant Beverage Program-Sensitive Use Zone** for sit-down restaurants only as an alternative to the CUP and CUE process to remove economic and time constraints and promote economic development; and

WHEREAS, this ordinance will contain more and stricter standards than those typically imposed during the CUP or CUE process and require participating restaurants to be subject to enforcement procedures; and

WHEREAS, the City has undertaken an environmental review of the proposed provisions and found that will not have a significant effect on the environment (ENV-2018-4661-ND), and further found that aspects of the proposed regulatory relief are exempt from environmental review (ENV-2020-3154-CE); and

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the Council hereby activates a new streamlined permitting land use regulatory process, the **Restaurant Beverage Program and Restaurant Beverage Program-Sensitive Use Zone** that shall be in force and full effect in the geographical boundaries attached in Exhibit A.

BE IT FURTHER RESOLVED, that based on the findings outlined in Exhibit B relative to the geographic boundaries found in Exhibit A maps, the **Restaurant Beverage Program** and **Restaurant Beverage Program-Sensitive Use Zone** are in conformity with public necessity, convenience, general welfare, and good zoning practice.

PRESENTED BY:



JOE BUSCAINO

Councilmember, 15th District

SECONDED BY:



MAR 08 2022

ORIGINAL

- 1. Both versions of the Restaurant Beverage Program (RBP and RBP-ASUZ) will provide a public necessity within the areas mapped in Exhibit A by assisting new and existing sit-down restaurants. Areas mapped for the RBP-ASUZ contain an overabundance of off-site alcohol-selling establishments, and as such, would be better served by the additional provisions in the RBP-ASUZ.**

The restaurant and hospitality industry is an important part of the City's economy, employing more than 380,000 people and generating more than \$200 million in tax revenue to the City during pre-pandemic levels. The proposed Ordinance will preserve and strengthen a viable sector of the City's economy by creating both the RBP and RBP-ASUZ, which will reduce the costs and time for sit-down restaurants in the mapped areas to obtain City approval to serve alcoholic beverages for on-site consumption, while subjecting them to more than 50 provisions. Alcohol service provides a substantial portion of restaurants' revenue and often make or break their viability as a business, however, restaurants with alcohol sales must meet both state and local regulations for serving alcohol.

Restaurant Beverage Program (RBP)

The RBP will offer an administrative clearance process to allow the sale of alcohol in sit-down restaurants with an operating kitchen and a full menu. In addition, new restaurants with alcohol service under the RBP will be subject to enforcement measures and security standards. This in-turn will provide long-term financial incentives as it will bolster the opening of new restaurants, enable the hiring of new employees, and create more vibrant neighborhoods. The mapped areas for the RBP are commercial districts and corridors, such as Downtown San Pedro, where economic development is desirable. Various commercial uses, such as retail and dining, are present, and alcohol sales in these areas historically have not had a negative impact. As such, the less restrictive RBP is most appropriate.

Restaurant Beverage Program- Alcohol Sensitive Use Zone (RBP-ASUZ)

The RBP-ASUZ offers the same administrative clearance process as discussed above with RBP, including enforcement measures and security standards. However, it also contains a one-year provisional period, at the end of which the City will conduct a review of complaints and other relevant citations to determine whether the restaurant will be able to continue to serve alcoholic beverages under the RBP-ASUZ.

The mapped areas for the RBP-ASUZ have historically suffered from negative impacts associated with the sale of alcohol by off-site establishments, namely liquor stores. The mapped areas in particular have a higher ratio of off-sale alcohol-selling establishments per capita than the rest of the City. At the same time, the mapped areas contain few sit-down restaurants and lack a mix of commercial uses. The RBP-ASUZ will create a public necessity by placing less emphasis on off-site alcohol sales and facilitating on-site alcohol sales for sit-down restaurants subject to strict operating provisions to limit negative impacts. Alcohol service provides a substantial portion of restaurants' revenue and often make or break their viability as a business. Fewer barriers of entry within the mapped areas brought forth by the RBP-ASUZ will encourage the opening of new restaurants, which will enable the hiring of new employees and the creation of more vibrant neighborhoods.

The COVID-19 pandemic and subsequent stay-at-home and indoor restrictions have presented unprecedented financial challenges to sit-down restaurants throughout the City, namely those located within the mapped areas. A simpler, more predictable, less costly process to serve alcoholic beverages would ease some of the burdens placed on impacted restaurants, giving them a boost and reducing the time needed for them to re-open and start hiring people. As such, both the RBP and RBP-ASUZ will create a service that is beneficial to the community, City, and region mapped by reducing the amount of entry barriers for new local restaurants.

- 2. Both versions of the Restaurant Beverage Program (RBP and RBP-ASUZ) will provide a public convenience within the areas mapped in Exhibit A by accommodating the demand for sit-down restaurants that will serve residents, workers, employees, and visitors.**

A variety of uses, including sit-down restaurants, are necessary for the conservation, development, and success of a vibrant neighborhood. The proposed RBP and RBP-ASUZ reflect a shift in how the City will process alcohol requests for eligible sit-down restaurants. As such, both the RBP and RBP-ASUZ will provide local sit-down restaurants with a boost, which will allow them to open quicker, expand, hire employees, and become an economically viable business. By creating a consistent and streamlined review of alcohol requests, the RBP and RBP-ASUZ will create more vibrant neighborhoods that will benefit employees, local residents, and visitors leading to the growth of regulated sit-down restaurants within the mapped areas, which are planned and zoned for commercial uses such as restaurants.

On-site alcohol service incidental to food service is an amenity that is often expected in bona fide sit-down restaurants. The local community, employees, patrons of adjacent commercial uses, and the residents in the neighborhood will be able to utilize the benefits of having on-site sit-down restaurants and alcohol service nearby. Furthermore, both the RBP and RBP-ASUZ incorporate more than 50 operating standards to ensure that the alcohol service will not be disruptive to the community.

- 3. Both versions of the Restaurant Beverage Program (RBP and RBP-ASUZ) contain more than 50 provisions to ensure that it will not adversely affect the welfare of the areas mapped in Exhibit A. Additionally, the mapped areas for the RBP-ASUZ will receive an additional layer of protections through a one-year provisional period that will ensure that any adverse effects are addressed and mitigated.**

The RBP and RBP-ASUZ's provisions are intended to protect the public health, welfare, and safety of the communities within the mapped areas. The City is establishing operational and enforcing policies via both the RBP and RBP-ASUZ to regulate alcohol service in eligible sit-down restaurants. Therefore, alcohol service under the RBP and RBP-ASUZ must be incidental to food service on-site consumption. This means that high-impact uses such as bars, nightclubs, and liquor stores will not be eligible under both versions and must obtain a Conditional Use Permit (CUP). Eligible restaurants will not be allowed to have dancing, live entertainment, pool tables, and portable bars. Bar-like practices, such as minimum drink purchase, admission charges, and age limitations, will also be prohibited.

Operating standards will ensure that impacts to the community, such as noise, will be kept at a minimum. The RBP and RBP-ASUZ will prohibit the use of television monitors and speakers in outdoor areas. Restaurants will also be required to remove graffiti, clean debris and litter, maintain an electronic age verification device, and respond to patron complaints in a timely manner. As a means of establishing additional safety policies, both versions contain interior and exterior lighting requirements and will require restaurants to install and maintain a camera surveillance system in operation at all times. In addition, all employees involved with the sale of alcohol will be subject to regulatory safety practices such as enrolling in an alcohol safety training program offered by the Los Angeles Police Department and/or the California Department of Alcoholic Beverage Control. Restaurants that repeatedly violate the provisions of both the RBP and RBP-ASUZ will be suspended from the Program and be required to obtain a CUP to continue to sell alcohol.

Lastly, the RBP, RBP-ASUZ, or proposed Ordinance do not authorize any new construction, nor result in construction activities that would change the size, height, or other significant features of existing buildings and therefore not degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety of the public at large. Therefore, the RBP, RBP-ASUZ, the proposed Ordinance, operations, and other significant features will be compatible with and not adversely affect or degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety of the mapped areas.

Restaurant Beverage Program- Alcohol Sensitive Use Zone (RBP-ASUZ)

As mentioned in Finding No. 1, the RBP-ASUZ is modeled after the RBP and in addition, it contains a one-year provisional period, at the end of which a review of complaints and other relevant citations will be conducted to determine whether the restaurant will be able to continue to serve alcoholic beverages under the RBP-ASUZ. Restaurants operating under the RBP-ASUZ version that repeatedly violate the eligibility requirements and use standards will be suspended from the Program and be required to obtain a CUP to continue to sell alcohol.

Lastly, the proposed Ordinance establishing both the RBP and RBP-ASUZ does not authorize any new construction, nor result in construction activities that would change the size, height, or other significant features of existing buildings and therefore not degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety of the public at large. Therefore, the proposed Ordinance, operations, and other significant features will be compatible with and not adversely affect or degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety of the mapped areas.

- 4. Both versions of the Restaurant Beverage Program (RBP and RBP-ASUZ) will follow good zoning practices by encouraging economic development in the areas mapped while limiting the impact of commercial activity on residential areas and other sensitive uses through strict provisions. The RBP-ASUZ will also promote community engagement in an administrative process in areas with an overabundance of off-site alcohol-selling establishments.**

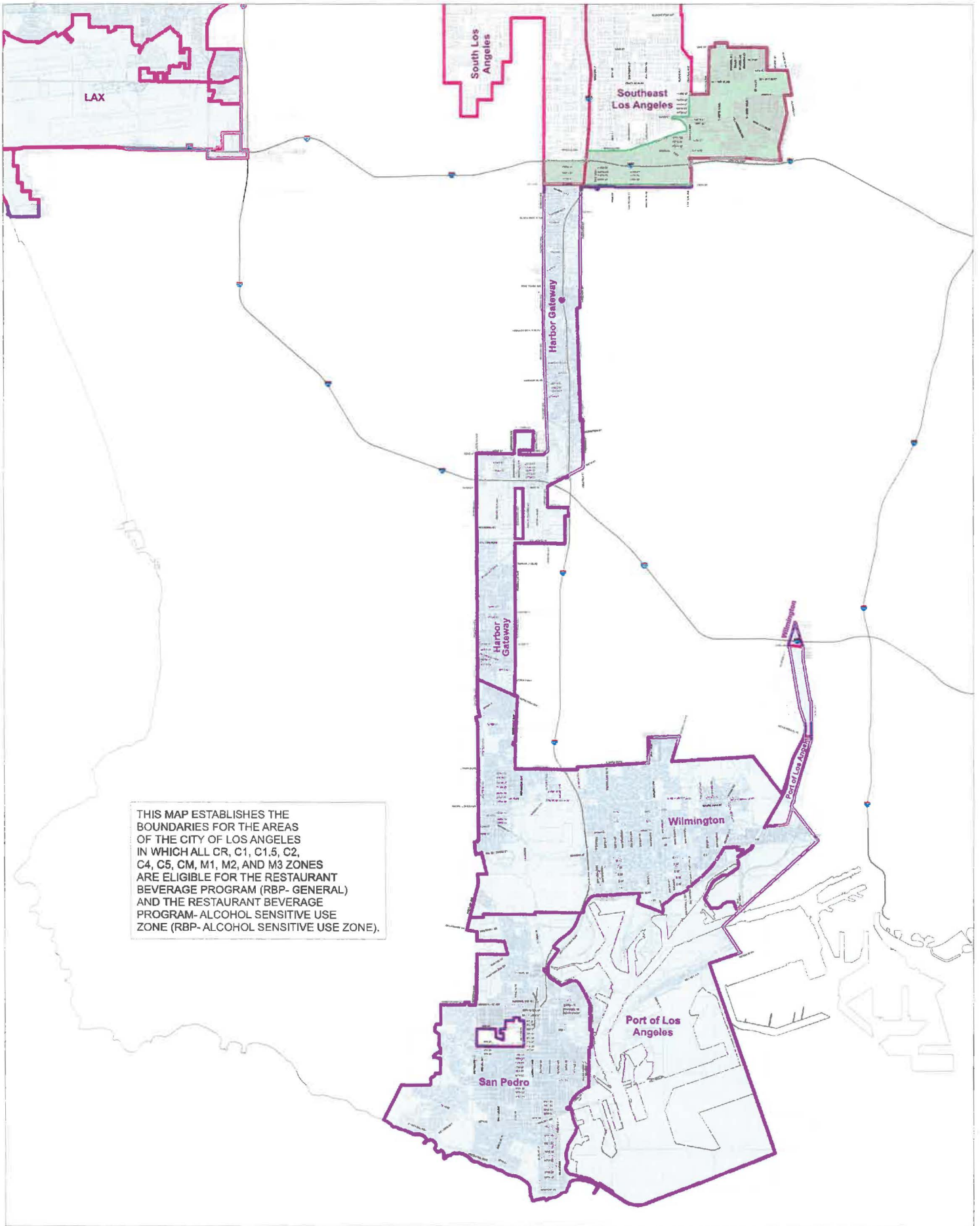
The mapped areas are well suited for sit-down restaurants that offer alcohol service, which are planned and zoned for commercial uses such as restaurants. This will promote livability and convenience for residents and employees, promote a variety of uses, and strengthen the employment and amenity base of the mapped areas. As such, both the RBP and RBP-ASUZ substantially conform to the purpose, intent, and provisions of the General Plan, the applicable community plan, and any specific plan.

Restaurant Beverage Program (RBP)

The RBP serves the purpose of imposing provisions aimed at limiting impacts to surrounding neighbors, including residential areas and other sensitive uses. The RBP will only be applicable in specific commercial and manufacturing zones where alcohol service is currently allowed through a CUP. In addition, the RBP includes numerous operational restrictions related to indoor and outdoor seating, allowed activities, and bar-like practices to limit noise and other impacts. Additional provisions concerning operations, security, monitoring, and enforcement are included. Any changes to the mode of operations of the restaurant, including hours of operation and seating, will not be permitted. Therefore, the RBP will follow good zoning practices by encouraging economic development while limiting the impact of commercial activity on nearby residential areas and other sensitive uses through strict and enforcing provisions.

Restaurant Beverage Program- Alcohol Sensitive Use Zone (RBP-ASUZ)

The RBP-ASUZ will apply stricter provisions than the RBP and subject restaurants to a one-year provisional period. At the end of the provisional period, the City will conduct a review of complaints and other relevant citations will be conducted to determine whether the restaurant will be able to continue to serve alcoholic beverages under the RBP-ASUZ. Local residents will be able to report violations to the RBP-ASUZ through this new process, which will assist the City in identifying and removing restaurants that do not comply with the RBP-ASUZ's provisions.



Restaurant Beverage Program (RBP)

- RBP- General Eligible
- RBP- Alcohol Sensitive Use Zone Beer & Wine Eligible
- Community Plan Area

