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(213) 978-1300

**CITY OF LOS ANGELES
CALIFORNIA**



ERIC GARCETTI
MAYOR

EXECUTIVE OFFICES
200 N. SPRING STREET, ROOM 525
LOS ANGELES, CA 90012-4801

VINCENT P. BERTONI, AICP
DIRECTOR
(213) 978-1271

KEVIN J. KELLER, AICP
EXECUTIVE OFFICER
(213) 978-1272

LISA M. WEBBER, AICP
DEPUTY DIRECTOR
(213) 978-1274

<http://planning.lacity.org>

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

Attention: PLUM Committee and
Ad Hoc Committee on the Comprehensive Job Creation Plan

**RECOMMENDATION TO CREATE ADMINISTRATIVE PROCESS FOR ON-SITE
ALCOHOL CONSUMPTION SUBJECT TO STANDARD SET OF OPERATIONAL
STANDARDS; CF 17-0981**

Dear Honorable Committee Members:

On October 20, 2017, the City Council adopted motion 17-0981 (Krekorian-Blumenfield), requesting that the Department of City Planning (Department) recommend a relatively fast and inexpensive method by which certain businesses can obtain permission to sell alcohol for on-site consumption. Currently, businesses seeking to sell alcohol, regardless of intensity, are required to apply for a Conditional Use Permit for alcoholic Beverages (CUB). As such, the cost and processing time to obtain a CUB is the same whether the business is a large entertainment venue or a small restaurant.

The CUB entitlement process involves submitting an application to the Department, where the assigned planner reviews the case, determines the appropriate level of CEQA review, and schedules a noticed public hearing before a Zoning Administrator. The Zoning Administrator weighs the public comment and project circumstances to make a determination which is documented in a letter of determination. This letter will include a number of conditions of approval. This action is appealable to the respective Area Planning Commission.

Although the CUB process is beneficial in evaluating large-scale businesses with activities such as live entertainment, it often proves time consuming and costly for less intensive businesses. In order to shorten approval time and lower costs for the latter business type, the Department is developing a ministerial permitting process for alcohol

sales when standard conditions aimed at curtailing potential nuisances in the community are agreed to by the applicant. These ministerial determinations would not be subject to CEQA review, public hearings, or appeals.

The Department estimates that such an administrative determination could be processed in approximately two weeks with permit costs less than \$3,000. This is in contrast to the approximately six month processing time and permit fees of approximately \$12,500 (plus associated soft costs) that are currently the standards. Additionally, this express service could expedite the renewals of eligible existing businesses that would otherwise be subject to a Plan Approval process.

As part of this analysis, the Department reviewed CUB cases filed in November and December of 2017 and determined that 18 percent of the projects would have qualified for this express service and up to 35 percent could have qualified if applicants made minor adjustments to their proposed operations, such as closing an hour earlier.

The City would continue to maintain neighborhood protection through enforcement and monitoring, regardless of the approval process. All alcohol-serving operators must participate in the Department's Monitoring Verification Inspection Program (MViP), requiring inspections to ensure condition compliance. Recurring noncompliant operators are subject to enforcement actions from the Department of Building and Safety and potential closure through the Citywide Nuisance Abatement Program (CNAP). The City will also continue its ongoing coordination with the California Department of Alcohol Beverage Control (ABC), which has the authority to suspend and revoke alcohol licenses.

Applicants would file for this ministerial permit at the Department's Development Services Center. Any project in compliance with the standard limitations is eligible. This includes restaurants, theatres, hotels, small beer manufacturers, and operations with on-site tastings. Approval will require the recording of a covenant binding the land to a set of standard limitations such as the following (a full draft of these standards is attached to the report):

- No dancing
- No live entertainment
- No karaoke
- No hookah service
- No off-site sales
- Limited outdoor dining
- Operation within the hours of 7:00 am and 11:00 pm
- Operation of a full kitchen at all operating hours
- The business is limited to only one operator and a single ABC license
- A change in operator or license type requires a new permit

Projects not eligible for this service would continue to be reviewed by the Zoning Administrator through the existing CUB process, with the discretion to approve, disapprove, or approve with conditions.

Establishing this new process will require an ordinance amending the Zoning Code, likely involving updates to Sections 12.22 and 12.24 (Exceptions and Conditional Use Permits). Such a legislative action will require a staff-level public hearing, action by the City Planning Commission, and adoption by the full City Council.

In addition, the motion requested that the Department consider the following topics:

a. The number of permits that are approved and denied.

Over the last twelve months, 333 CUBs were approved and seven were denied.

b. The use of multiple sets of standards for different neighborhoods based on the density of existing CUPs.

The proposed standards are designed for the least intensive alcohol-serving establishments regardless of their proximity to other alcohol-serving businesses. Applicants would be complying with a series of specific operational standards that minimize any potential for nuisance upon surrounding neighborhoods. Applying different sets of standards to establishments based on existing CUP concentration would also create challenges in implementation and enforceability. For these reasons, the Department does not currently recommend this approach.

c. The issues, both positive and negative, concerning the current Conditional Use Permit process.

The topic is discussed in this report narrative.

d. The impacts on the home delivery of food and alcohol.

The home delivery of food and alcohol is outside the purview of the Department and is therefore not a part of this recommendation. Deliveries are considered an incidental use and are fully regulated by the ABC.

If you have any additional questions, please contact Deborah Kahen at (213) 978-1202 or deborah.kahen@lacity.org.

Sincerely,

VINCENT P. BERTONI, AICP
Director of Planning



Kevin J. Keller, AICP
Executive Officer

VPB:KJK:dk

ATTACHMENT

ATTACHMENT – Prospective Standard Limitations

Applicants would be required to record a covenant agreeing to a standard set of limitations, such as the following:

1. The hours of operation shall start after 7:00 am daily and not exceed 11:00 pm each day of the week. After-hours use of the facility, other than for routine clean-up and maintenance, is not permitted.
2. A camera surveillance system shall be installed to monitor the interior, entrance, exits and exterior areas, in front of and around the premises. Recorded tapes/images shall be maintained for a minimum period of [30 days]. The tapes shall be furnished to the Los Angeles Police Department upon request. The plan must be reviewed and approved by the Police Department. The approved plan shall be made be available to the Police Department and the Department of Building and Safety by the applicant for the purpose of verification or inspections.
3. Lighting shall be installed in all areas within the business in conformance with the Los Angeles Municipal Code. The lighting shall be such that it renders all objects and persons clearly visible within the establishment.
4. A 24-hour “hot line” shall be provided for complaints or concerns from the community regarding the operation. The 24-hour phone number shall be posted at the following locations:
 - Entry, visible to pedestrians
 - Customer service desk, front desk or near the hostess station

The applicant shall maintain a log of all calls, detailing: (1) date complaint received; (2) nature of complaint; and (3) the manner in which the complaint was resolved. This log shall be made available to law enforcement personnel upon request. Complaints shall be responded to within 24 hours.

5. Within the first six months of operation, all employees involved with the sale of alcohol shall enroll in the Los Angeles Police Department “Standardized Training for Alcohol Retailers” (STAR). Upon completion of such training, the applicant shall request the Police Department to issue a letter identifying which employees completed the training.
6. In the event there is a change in the licensee, within six months of such change, this training program shall be required for all new staff. The STAR training shall be conducted for all new hires within two months of their employment.
7. The applicant shall be responsible for monitoring both patron and employee conduct on the premises and within the parking areas under his control to assure behavior that does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses.
8. Loitering is prohibited on or around these premises or the area under the control of the applicant. “No Loitering or Public Drinking” signs shall be posted in and outside of the subject facility.

9. The applicant shall be responsible for maintaining free of debris or litter the area adjacent to the premises over which they have control, including the sidewalk in front of the establishment.
10. All graffiti on the site shall be removed or painted over to match the color of the surface to which it is applied within 24 hours of its occurrence.
11. Parking shall be subject to the determination of the Department of Building and Safety. Any off-site parking shall be provided pursuant to the requirements of Los Angeles Municipal Code Sections 12.21-A,4(g) and 12.26-E, 1(b). No variance from the parking requirements has been granted herein.
12. Coin operated game machines, pool tables or similar game activities or equipment shall not be permitted. Official California State lottery games and machines are allowed.
13. An electronic age verification device shall be purchased and 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.
14. At least one on-duty manager with authority over the activities within the facility shall be on the premises at all times that the facility 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). Every effort shall be undertaken in managing the facility to discourage illegal and criminal activity on the subject premises and any exterior area over which the building owner exercises control, in effort to ensure that no activities associated with such problems as narcotics sales, use or possession, gambling, prostitution, loitering, theft, vandalism and truancy occur.
15. The applicant shall establish a "Designated Driver Program" which shall include, but not be limited to, signs/cards notifying patrons of the program. The signs/cards shall be visible to the customer and posted or printed in prominent locations or areas. These may include signs/cards on each table, at the entrance, at the host station, in the waiting area, at the bars, or on the bathrooms, or a statement in the menus.
16. Adult Entertainment of any type pursuant to LAMC Section 12.70 shall be prohibited.
17. Any use of the restaurant for private events, including corporate events, birthday parties, anniversary parties, weddings or other private events which are not open to the general public, shall be subject to all the same provisions and hours of operation stated herein.
18. The premises shall be maintained as a bona fide eating place (restaurant) with an operational kitchen and shall provide a full menu containing an assortment of foods normally offered in such restaurants. Food service shall be available at all times during operating hours.
19. Dancing is prohibited.
20. Any music, sound or noise which is under control of the applicant shall not constitute a violation of Sections 112.06 or 116.01 of the Los Angeles Municipal Code (Citywide Noise Ordinance) and shall not be audible beyond the subject premises. At any time, a City inspector may visit the site during operating hours to measure the noise levels using a calibrated decibel/sound level meter. If, upon inspection, it is found that the noise level

exceeds those allowed by the Citywide Noise Ordinance, 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 property such as, noise barriers, sound absorbers or buffer zones.

21. There shall be no live entertainment on the premises. There shall be no karaoke, disc jockey, topless entertainment, male or female performers or fashion shows. Any background music or other recorded ambient music shall not be audible beyond the area under the control of the applicant.
22. There shall be no outdoor music, amplified or live.
23. The facility shall be limited to only one operator and a single ABC license holder.
24. The owner and/or the operator shall file for a new administrative alcohol clearance if there is a change in alcohol license type.
25. There shall be no outdoor dining or dining in the public right-of-way if the project is abutting or across an alley of an A or R zoned lot.
26. Should there be a change in the ownership and/or the operator of the business, the property owner and the business owner or operator shall file for a new administrative alcohol permit.
27. MViP – Monitoring Verification and Inspection Program. Prior to the effectuation of this grant, fees required per L.A.M.C section 19.01 E (3) for Monitoring of Conditional Use Permits and Inspection and Field Compliance Review of Operations shall be paid to the City prior to the final clearance of these conditions. Within 12 to 18 months from the beginning of operations or issuance of a Certificate of Occupancy, a City inspector will conduct a site visit to assess compliance with, or violations of, any of the conditions. Observations and results of said inspection will be documented and included in the administrative file. The owner/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.
28. Covenant. Prior to the issuance of a building permit, land use permit or certificate of occupancy, the owner of the lot or lots shall execute and record a covenant and agreement in a form satisfactory to the Director of Planning, acknowledging that the owner shall implement each of the conditions set forth in Paragraph (a) of this subdivision. A certified copy bearing the Recorder's number and date shall be provided to the City Planning Department. The agreement (standard master covenant and agreement form CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the conditions attached must be submitted to the Department of City Planning for approval before being recorded. Fees required per L.A.M.C section 19.01 E (3) for Monitoring of Conditional Use Permits and Inspection and Field Compliance Review of Operations shall be paid to the City prior to the final clearance of this condition.
29. The applicant 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.

30. The facility shall not be leased or contracted out to third party promoters that will require a cover charge or prepayment for admission to the facility for uses such as or similar to rave parties, electronic music parties, or record release parties advertised and open to the general public.
31. No employee or agent shall be permitted to accept money or any other thing of value from a customer for the purpose of sitting or otherwise spending time with customers while in the premises, nor shall the licensee provide, permit, or make available, either gratuitously or for compensation, male or female patrons who act as escorts, companions, or guests of and for the customer.