

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 sell alcohol by obtaining a Conditional Use Permit (CUP) or meeting the eligibility requirements for a Conditional Use Exemption (CUE); and

WHEREAS, the Conditional Use Permit (CUP) process is often time-consuming and costly for both applicants and the City, creating barriers to business creation and expansion, while the existing Conditional Use Exemption (CUE) process has seen limited utilization due to its narrow eligibility criteria; and

WHEREAS, the City recognizes 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* for sit-down restaurants only as an alternative to the CUP and CUE process to remove economic and time constraints, promote inclusive economic development, and improve regulatory conditions for small and locally owned restaurants; 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 in order to balance the needs of all neighborhood and community stakeholders; and

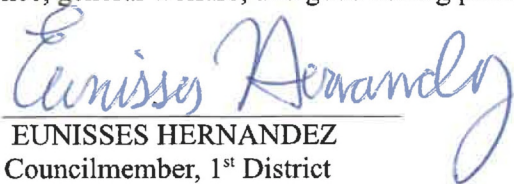
WHEREAS, the City has undertaken an environmental review of the proposed provisions and found that will not have a significant effect on the environment (ENV-2018-4661-ND), and further found that aspects of the proposed regulatory relief are exempt from environmental review (ENV-2020-3154-CE);

WHEREAS, with the implementation of the *Restaurant Beverage Program*, Council District 1 will work closely with the businesses to prevent the displacement of businesses.

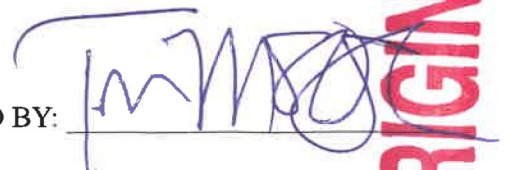
NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the Council hereby activates a new streamlined permitting land use regulatory process, the *Restaurant Beverage Program*, wherein the sale of alcohol shall be limited to beer and wine during the one-year provisional period, that 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 geographical boundaries found in Exhibit A maps, the *Restaurant Beverage Program* is in conformity with public necessity, convenience, general welfare, and good zoning practice.

PRESENTED BY:


EUNISSES HERNANDEZ
Councilmember, 1st District

SECONDED BY:



ORIGINAL



AUG 28 2026

EXHIBIT B

Highland Park is one of the most vibrant neighborhoods in Council District 1. The Figueroa Street corridor, in particular, serves as a cultural and economic anchor for Northeast Los Angeles and is home to countless locally owned restaurants, vintage shops, historically significant buildings, and numerous legacy businesses.

In recent years, the Figueroa Street corridor has experienced increased business development and higher retail occupancy in recent years. *The Eastsider* reports that approximately 20 restaurant business licenses were issued in Highland Park between 2023 and 2025. However, despite this growth, many long-standing and legacy businesses continue to face significant financial challenges. These difficulties stem from a compilation of factors, including the lasting economic impacts of the COVID-19 pandemic.

In 2020, the national gross domestic product (GDP) declined by 9% over two quarters, and unemployment rose to 13%, according to the Latino Policy and Politics Institute. During this period, many small businesses experienced sharp increases in operating costs, making it more difficult to sustain day-to-day operations. Although the economy has steadily improved since the pandemic, many businesses continue to grapple with slow revenue growth alongside rising costs, tariffs, and the negative economic and social impact of federal immigration enforcement.

Given these ongoing economic pressures, Council District 1 is exploring a small-scale pilot program to allow up to two businesses, as identified in Exhibit A, to participate in the Restaurant Beverage Program (RBP). This pilot program is intended to provide opportunities for legacy and long-standing locally owned businesses to initiate on-site alcohol service at existing sit-down restaurants with an operational kitchen and full menu, in effort to support the economic viability, prevent displacement, and strengthen neighborhood-serving businesses. This program also seeks to help businesses remain competitive, maintain local employment, and enhance neighborhood ties.

The City will evaluate program outcomes and any neighborhood impacts to determine the possibility of expanding the program to additional businesses in Highland Park or other parts of Council District 1, if appropriate. The program will be monitored to ensure the pilot supports existing businesses and does not contribute to the displacement of local and longtime community serving establishments. Should the program outcomes result in this, the pilot may be discontinued or terminated.

- 1. The RBP will provide a public necessity within the areas mapped in Exhibit A by addressing financial barriers for sit-down restaurants and promoting economic development, in light of financial impacts associated with the COVID-19 pandemic, rising costs, tariffs, displacement, and the impacts of federal immigration enforcement.**

The restaurant and hospitality industry plays a critical role in the City's economy, employing more than 380,000 people and generating more than \$200 million in tax revenue during pre-pandemic levels. The Ordinance preserves and strengthens a vital sector by establishing the RBP. These programs reduce the time and cost required for eligible sit-down restaurants in the mapped areas to obtain City approval for on-site alcohol service, while subjecting participating establishments to more than 50 enforceable operational and performance standards. For many sit-down restaurants, on-site alcohol service constitutes a substantial share of overall revenue and is often essential to long-term financial viability. At the same time, restaurants participating in the RBP remain fully subject to all applicable state and local laws governing alcohol service, ensuring continued regulatory compliance, accountability, and protection of public health and safety.

The COVID-19 pandemic and the resulting stay-at-home orders and indoor restrictions imposed unprecedented financial challenges to sit-down restaurants throughout the City, impacts that many establishments continue to experience. Ongoing economic recovery has also been stifled by federal immigration enforcement activities, which have made staffing difficult and discouraged potential patrons.

2. Both the RBP will provide a public convenience within the areas mapped in exhibit A by accommodating a demand for an amenity that will serve residents, workers, employees, and visitors.

A diverse mix of neighborhood-serving uses, including sit-down restaurants, is essential to the conservation, development, and long-term success of a vibrant neighborhood. The RBP modernizes the City's process for reviewing alcohol service requests for eligible sit-down restaurants by establishing a clear, consistent, and streamlined administrative process. It reduces procedural delays while maintaining operational safeguards, allowing local restaurants to open more efficiently, stabilize and expand their operations, support local employment, and remain economically viable within areas planned and zoned for commercial uses, including restaurants.

On-site alcohol service provided in connection with full food service is a customary and expected amenity for bona fide sit-down restaurants. Through the RBP, residents, local community members, employees, patrons of adjacent commercial uses, and visitors gain access to well-regulated, neighborhood-serving dining establishments with on-site alcohol service at appropriate locations. Furthermore, the RBP incorporates more than 50 operating standards to ensure that the alcohol service will not be disruptive to the community.

Integrating a pilot program of the RBP is a crucial strategy to support legacy and long-standing businesses, by preventing the displacement of locally-owned businesses that continue to face several financial pressures. For many of these businesses, the ability to offer on-site alcohol service is a critical tool to stabilize a portion of revenue and remain competitive with newer establishments, especially for an area like Highland Park, where development and commercial activity has soared in recent years. By providing a narrowly tailored regulatory pathway for businesses, the pilot program helps prevent business closures and displacement, preserving locally owned establishments that contribute to the neighborhood.

The pilot intentionally focuses on areas where access, mobility, and land-use conditions support safe restaurant activity. The locations identified in Exhibit A are situated within a multi-modal, transit accessible corridor. These areas are served by the A Line of the Metro Rail system, as well as multiple DASH and Metro bus stops along Figueroa. Additionally, there is accessibility to dockless scooter and bicycles, allowing residents, employees, patrons, and visitors to access the corridor through multiple transportation options. This multimodal accessibility reinforces the suitability of the corridor for the implementation of the RBP.

3. The RBP contains more than 50 operational and performance provisions designated to ensure that the program will not adversely affect the welfare of the areas mapped in Exhibit A. The program is further limited to sit-down restaurant uses and explicitly prohibits bars, nightclubs, and other high-impact uses.

The RBP's provisions are intended to protect the public health, welfare, and safety of the communities within the mapped areas. The City has established operational and enforcing policies via the RBP to regulate alcohol service in eligible sit-down restaurants. Notably, all alcohol sales and dispensing of any alcoholic beverage, including beer and wine, are limited to on-site consumption and permitted to restaurants with food service. Meaning that high-impact uses, such as bars, nightclubs, and liquor stores will not be eligible under the RBP program and

must obtain a Conditional Use Permit (CUP). Further, the pilot program's focus on a limited geographic area limits any potential cumulative impacts to the neighborhood.

Eligible restaurants are not allowed to have dancing, live entertainment, pool tables, and portable bars. Bar-like practices, such as minimum drink purchase, admission charges, and age limitations, are also prohibited. Operating standards ensure minimal impacts, such as noise, to the community, both programs only allow operations from 7 a.m. to 11 p.m. The RBP prohibits the use of television monitors and speakers in outdoor areas. Restaurants are required to remove graffiti, clean debris and litter, maintain an electronic age verification device, and respond to patron complaints in a timely manner. In addition, the RBP requires compliance with interior and exterior lighting standards and installation, maintenance, and continuous operation of a camera surveillance system.

The City requires all employees involved in the sale or service of alcohol to comply with applicable regulatory safety practices, including completion of an alcohol safety training program offered by the Los Angeles Police Department and/or the California Department of Alcoholic Beverage Control. These provisions allow the City to suspend or remove any restaurant that repeatedly violates the program requirements from the RBP, necessitating these establishments to obtain a Conditional Use Permit to continue selling alcohol.

Lastly, the RBP or proposed Ordinance do not authorize any new construction or any construction activity that would alter the size, height, or other significant features of existing buildings. As a result, the City finds that the proposed Ordinance will not degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety of the public at large. The City further finds that the programs and associated operations remain compatible with existing development patterns and land uses within the mapped areas.

4. The RBP will follow good zoning practices by encouraging economic development in the areas identified in Exhibit A while limiting the impact of commercial activity on residential areas and other sensitive uses through strict provisions.

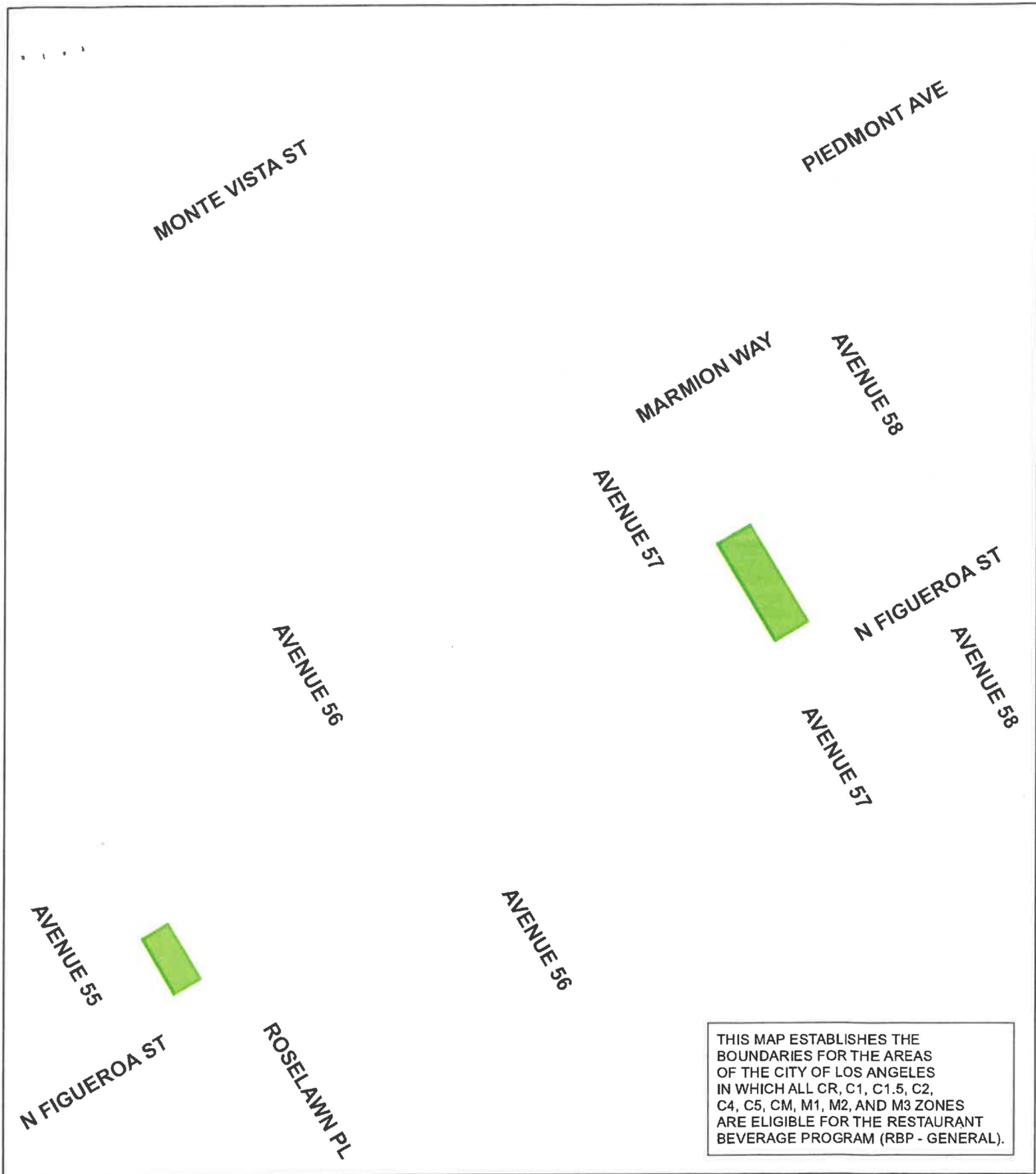
The mapped areas support sit-down restaurants that provide on-site alcohol service. These locations are zoned for commercial uses, including restaurants, and have "Neighborhood Commercial" land use designations in the City's General Plan – making them ideal locations for on-site alcohol service. The RBP will support the economic activity of sit-down restaurants, preserve local jobs, and maintain active commercial corridors, such as Figueroa Street in Highland Park, that serve residents, workers, and visitors in the mapped areas. The Avenue 57 Neighborhood Specific Plan, which encompasses the mapped areas, identifies Figueroa Street as a main commercial thoroughfare, and has the stated intention to "develop a center for commercial activities to provide needed goods and services in a location convenient to residents and in close proximity to the proposed Gold Line Metro Rail station." The mapped locations are also identified as part of the "Major Activity Center" subarea of the Specific Plan, making them most suitable for the RBP, which should stimulate economic and pedestrian activity. The City finds that the RBP substantially conforms to the purpose, intent, and provisions of the General Plan, the applicable community plan, and any relevant specific plan.

At the same time, the RBP imposes strict provisions to limit impacts on surrounding neighborhoods, including residential areas and other sensitive uses. The City will apply the RBP only within specific commercial and manufacturing zones where alcohol service is already permitted through a CUP.

Restaurant Beverage Program (RBP) The Restaurant Beverage Program (RBP) provides an administrative clearance process that allows sit-down restaurants with an operating kitchen and a full menu to serve alcoholic beverages. Restaurants approved under the RBP remain subject to enforcement measures

and security standards to ensure compliance with all program requirements. By reducing regulatory barriers while maintaining strong operational controls, the RBP supports long-term economic activity by facilitating the opening of new restaurants, encouraging job creation, and contributing to active and vibrant commercial corridors. The areas mapped for the RBP consist of established commercial districts and corridors, such as Highland Park, where economic development is desirable and a variety of commercial uses, including retail and dining, already exist. Alcohol service has historically operated in these areas without adverse impacts on surrounding neighborhoods. Accordingly, the City finds that the less restrictive RBP is appropriate for these locations.

Under the RBP, restaurants may not modify their approved mode of operation, including the hours of operation or seating capacity. Through these enforceable limitations, the City finds that both programs follow sound zoning practices supporting economic development while protecting nearby residential neighborhoods and other sensitive areas.



Restaurant Beverage Program (RBP)



RBP-General Eligible
APN 5468024007, APN 5492001013



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