

## Communication from Public

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**Comments for Public Posting:** Letter Attached, please read



# Independent Hospitality Coalition

Los Angeles, California

<https://www.ihcla.org>

**April 18, 2026**

Los Angeles City Council  
Economic Development and Jobs Committee  
200 N. Spring Street  
Los Angeles, CA 90012

**RE: Item # 13, Council File 20-1074-S6 — AI Fresco Program Enrollment: Process Failures vs. Fee-Based Solutions**

Dear Chair Price and Members of the Committee,

On behalf of the **Independent Hospitality Coalition (IHC)**, representing hundreds of independent restaurants and hospitality operators across Los Angeles, we write regarding the recent transmittal of Council File 20-1074-S6 and the City's continued efforts to address the lack of enrollment in the Permanent L.A. AI Fresco Program.

We appreciate the Committee's attention to this issue. However, we must be clear:

**The primary barrier to enrollment is not cost—it is process.**

The current departmental response, as outlined in the Public Works transmittal, focuses heavily on **fee reductions and subsidies**, including the allocation of City funds to offset permitting costs.

While well-intentioned, this approach does not address the underlying issue. It attempts to make a broken system more affordable rather than making it functional.

## **THE CORE ISSUE: A PROCESS PROBLEM, NOT A COST PROBLEM**

The City's own data—and our direct experience—show that businesses are not failing to participate because they cannot pay fees. They are failing to participate because they cannot successfully navigate the process.

As outlined in our technical memorandum submitted to the City from FE Design on **October 17, 2025, based on over 65 AI Fresco applications:**

- **Sidewalk dining:** 11 projects — 11 approved
- **On-street dining:** 11 projects — 2 approved
- **Private property dining:** 43 projects — 4 approved

This is not a pricing issue.

This is a system performance issue.

If cost were the primary barrier, we would see consistent drop-off across all program types. Instead, we see success where process is simple—and failure where process is complex.

## **WHY THE CURRENT APPROACH FALLS SHORT**

The current departmental recommendations focus on:

- Expanding outreach
- Improving digital portals
- Subsidizing permit fees through programs like JEDI
- Allocating public funds to offset costs

These actions assume that businesses are not participating due to lack of awareness or affordability.

**That assumption is incorrect.**

Businesses are highly motivated to participate—but are abandoning the process due to:

- Multiple, overlapping departmental reviews
- Lack of customer service through online submittals
- Inconsistent and conflicting code interpretations
- Excessive correction cycles (often 6–7 rounds)
- Requirements that do not align with open-air conditions
- Long, unpredictable approval timelines

Until these issues are addressed, reducing fees will not meaningfully increase completed permits.

## **WHAT WILL ACTUALLY INCREASE ENROLLMENT AND COMPLETION**

The City already has a working model: sidewalk dining.

The success of sidewalk dining demonstrates a clear principle:

**When the process is simple, participation follows.**

To replicate that success, we urge the Committee to refocus from fee subsidies to **process reform**, consistent with the recommendations already provided in our technical response.

## **PRIORITY PROCESS REFORMS (FROM TECHNICAL MEMORANDUM)**

### **1. Simplify Sidewalk Dining to a Registration Model**

- Eliminate plan review for standard sidewalk seating
- Implement a **registration-based system** with clear eligibility criteria
- Provide standardized ADA and accessibility guidance tailored to Los Angeles conditions

This reduces staff workload, eliminates low-value review, and maintains compliance through education and accountability.

### **2. Fix Private Property Outdoor Dining Requirements**

- Reclassify shade structures (canopies/sails) as **'structures'** opposed to **'building structures'**
- Stop applying indoor building code standards to open-air patios
- Eliminate unnecessary triggers for additional restrooms and structural requirements
- Establish clear, standardized patio definitions and layouts

These changes directly address the largest source of project failure.

### **3. Consolidate and Streamline Plan Check**

- Reduce the number of reviewers and eliminate duplicative reviews
- Align Building, Fire, Zoning, and Accessibility interpretations
- Reinstate Over-the-Counter pathways for simple projects

This will significantly reduce timelines and uncertainty.

### **4. Fix On-Street Dining by Reducing Complexity**

- Designate LADOT as the **single lead coordinating agency**
- Eliminate redundant multi-department reviews
- Introduce pre-approved design templates for common configurations

Without these changes, on-street dining will remain inaccessible to most small businesses.

## 5. Address Outstanding Planning and Ordinance Gaps

The current ordinance framework still contains unresolved issues that are actively preventing projects from moving forward.

We urge the Committee to direct the Department of City Planning to:

- **Clarify loading zone requirements** when parking is converted to outdoor dining
- **Allow administrative approval pathways** for outdoor dining on nonconforming parking lots
- **Establish an amnesty or administrative renewal process** for expired alcohol entitlements tied to legacy operators

These are not minor technical issues—these are real barriers currently delaying or stopping otherwise viable projects.

## A BETTER USE OF CITY RESOURCES

The current approach proposes allocating public funds to offset the cost of navigating a complex system.

We urge the City to instead:

- **Reduce the complexity of the system itself**
- **Lower administrative burden on City staff**
- **Eliminate redundant review processes**

This approach:

- Saves City resources
  - Reduces reliance on subsidies
  - Increases permit completion rates
  - Strengthens small business participation
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# CONCLUSION

The City has correctly identified that enrollment in the AI Fresco program is too low.

However, the solution is not to subsidize participation in a difficult process.

**The solution is to fix the process.**

The recommendations outlined in our technical memorandum provide a clear, actionable roadmap to:

- Increase enrollment
- Improve completion rates
- Reduce costs for both businesses and the City
- Deliver on the promise of a truly accessible, citywide outdoor dining program

We respectfully urge the Committee to prioritize **process reform over fee subsidies** and direct departments accordingly.

The Independent Hospitality Coalition stands ready to work with the City to implement these solutions.

Respectfully,

**Eddie Navarrette**

Board President & Policy Director

Independent Hospitality Coalition (IHC)

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