

Master Land Use Permit Applicant Attachment A

Conditional Use Approval for the On-Site Sale and Consumption of a Full Line of Alcohol and Relief from Commercial Corner Hour Restrictions

1209 Cypress Avenue, Los Angeles, 90065

Applicant and Property Description

VT 1207 LLC (the “Applicant”) is the owner of that certain real property commonly referred to as 1201-1217 ½ Cypress Avenue, Los Angeles, 90065 (the “Property”). The Property consists of 3 parcels containing a total of 11,910 square feet of lot area in the [Q]C4-1XL -CDO zone. The Property is currently utilized as seven separate storefronts that include retail, a market, and an existing restaurant use. Applicant intends to change the use of the retail space located at 1209 North Cypress Avenue to a restaurant use (the “Proposed Restaurant”) that contains approximately 1,059 square feet of interior floor area and serves a full line of alcohol.

The Property is located in the [Q]C4-1XL -CDO zone, which allows restaurants by right. Pursuant to Los Angeles Municipal Code (“LAMC”) Section 12.24.W.1, the Applicant is requesting a conditional use permit for the on-site sale and consumption of a full line of alcohol for the Proposed Restaurant and relief from commercial corner hour restrictions pursuant to LAMC 12.24.W.27 (the “Project”). The Proposed Restaurant will contain a total of 1,059 square feet of interior floor area, 40 interior seats and 26 outdoor seats. As part of the Project, Applicant will introduce 121 square feet of sidewalk dining subject to a revocable permit. Hours of operation from 7:00 AM to 12:00 AM on Sunday through Thursday and 7:00 AM to 1:30 AM on Friday and Saturday.

The Property is located in Cypress Park, and is subject to the Northeast Los Angeles Community Plan (“the Community Plan”). The Property is also subject to the Cypress Park and Glassell Park Community Design Overlay (the “CDO”). The CDO does not require CDO review for changes of use and interior work.¹ Therefore, the Project does not trigger CDO review.

As mentioned above, the Property is currently utilized as seven separate storefronts that include retail, a market, and an existing restaurant. In addition to the Project, Applicant intends to introduce the sale of a full line of alcohol to the existing restaurant, and change the use of three tenant spaces (1215, 1207, and 1201 Cypress Avenue, currently retail and market) to three new restaurant uses (four new restaurants in total). Two conditional use permit applications to allow the on-site sale of beer and wine for the existing restaurant and the new restaurant located at 1215 Cypress Avenue will be filed separately. The Property would therefore contain: 1) Proposed

¹ CDO Section 2 Page 1. LAMC 13.08(c)(2).

Restaurant that serves a full line of alcohol;2)_ the existing restaurant that serves beer and wine; 3) one new restaurant that serves beer and wine; and 4) two restaurants that will be built by right.

As the community's land use patterns are changing, the demand for restaurants that serve alcohol has steadily risen. The Property is ideally suited for providing an amenity that benefits the community. The Property's surrounding area is experiencing a revitalization and requires more entertainment and dining options for nearby workers and residents. The City has recently announced a bridge to connect Elysian Valley and Cypress Park, and there have been various new businesses and developments in the nearby area.² The Project will allow the Proposed Restaurant to provide a much needed service to Cypress Park and the surrounding communities.

Surrounding Zoning and Uses

- North: R1-1-CDO: Multi-family and single family residential structures.
- East: [Q]C4-1XL -CDO: One- and two-story commercial structures that include retail and office space.
- South: [Q]C4-1XL -CDO-RIO: One- and two- story commercial structures that include café, beauty salon, and market uses.
- West: [Q]C4-1XL -CDO: One-story Commercial building.

Project Description:

The Project contains approximately 1,059 square feet of interior floor area. The Project will add 121 square foot sidewalk dining area subject to a revocable permit ("R Permit") and utilize 148 square feet of the interior Property's courtyard as an outdoor eating area. The Proposed Restaurant will contain a maximum of 66 seats, including 40 interior seats, 10 outdoor dining seats located in the courtyard, 12 outdoor seats subject to the R Permit. Hours of operation will be from 7:00 AM – 12:00 AM Sunday through Thursday, and 7:00 AM – 1:30 AM on Friday and Saturday.

The Proposed Restaurant is elegantly designed, with a patio dining area in the rear courtyard area, and sidewalk dining. A tenant has not been identified at this time. The interior consists of a 569 square foot dining area located towards the front of the Proposed Restaurant, 368 square foot kitchen located at the back of the Proposed Restaurant, 8 square foot alcohol storage area located within the kitchen, and 114 square foot restroom area. The Proposed Restaurant will also include an outdoor eating area located in the rear patio area, and sidewalk

² The recently developed Taylor Yard apartments on 1311 North San Fernando Road contains approximately 400 units. New businesses include the recently opened coffee shop across from the Property, and a record store and live music venue located on 1906 North Cypress Avenue.

dining subject to the R Permit. Bathrooms are shared with the neighboring tenant in the Property and can be accessed through a door in the back of the Proposed Restaurant. The Property is located in an enterprise zone³, which allows reduced parking for most commercial uses (including restaurants). Parking requirements for retail and restaurant uses are the same in enterprise zones. The change of use, therefore, does not result in an additional parking requirement. The Property is built to the lot lines and no parking is provided on site.

The Proposed Restaurant will apply for an ABC License Type 47 permitting the service of a full line of alcohol in connection with a full-service restaurant. Accordingly, the restaurant's kitchen will remain open at all times. There will be no dancing or live entertainment. No security is anticipated at this time; the Project is not a general premises bar.

Requested Actions:

The Applicant request the following:

1. Conditional use approval pursuant to LAMC Section 12.24.W.1 for the on-site sale and consumption of a full line of alcohol in connection with the Project.
2. Conditional use approval pursuant to LAMC Section 12.24.W.27 for operational hours from 7:00 AM until 12:00 AM Sunday through Thursday, and 7:00 AM until 1:30 AM on Friday and Saturday in lieu of commercial corner restrictions.

Conditional Use Permit Findings

Each conditional use permit requires the following findings set forth within LAMC Section 12.24.E:

1. **That the project will enhance the built environment in the surrounding neighborhood or will perform a function or provide a service that is essential or beneficial to the community, city, or region**

The Applicant is requesting a full line of alcohol in connection with the Proposed Restaurant. The Project involves interior remodeling and change of use of an existing tenant space. Therefore, the requested action will have little to no effect on the built environment surrounding the neighborhood.

The Proposed Restaurant will provide a beneficial service to the community because the Property's surrounding area has a robust work force and residential population, but a serious lack of dining options. A thriving urban environment must have a vast diversity of dining options that also offer a full line of alcohol to its patrons. The Project will accomplish precisely this goal.

³ Enterprise zones require 1 parking space per 500 square feet for commercial uses.

Approving the requested action will allow the introduction of a full line of alcohol to the Proposed Restaurant with flexible hours.

The Community Plan states that the commercial activity on Cypress Avenue serves the immediate neighborhoods.⁴ The surrounding area lacks dining options that serve a full line of alcohol. The adjacent community, Mount Washington, is exclusively zoned residential and residents in that community must travel to surrounding neighborhoods, such as Cypress Park, for dining options. Restaurants in Cypress Park are important not only to Cypress Park residents, but Mount Washington residents as well. The introduction of a full line of alcohol to the Proposed Restaurant will serve the nearby communities in the exact way the Community Plan intended.

The area surrounding the Property is a mixture of one story commercial developments, and single and multifamily homes. These uses will benefit from a community serving restaurant offering a full line of alcohol. besides the existing restaurant on the Property) is King Taco, a fast food taco restaurant located on 1118 Cypress Avenue, over 1,000 feet east from the Property. There are no restaurants in the immediate area that serve a full line of alcohol.

The Project will also bring dining services to an area that has a work and residential population but is severely lacking in restaurants. The Project is located in Cypress Park, an area that has remained mostly neglected, while the surrounding communities (e.g. Elysian Valley, Glassell Park, and Eagle Rock) have undergone transformations in recent years. Cypress Avenue, designated Avenue I, is a commercial corridor meant to serve the surrounding area. There has been little to no development on Cypress Avenue for many years. Lack of development has resulted in a lack of restaurant, retail, and various other commercial services. This lack of restaurants is especially noticeable in Cypress Park, a community that serves as a connector for Glassell Park, Highland Park, and Mount Washington. The City and various groups have, however, proposed plans to revitalize the nearby area. A new pedestrian bridge that connects Elysian Valley and Cypress Park is in development and is likely to open in early 2021. A 42 acre park is also planned in a former Union Pacific railroad maintenance yard approximately 1,000 feet from the Property. With this influx of development and the bridge, the area will need more dining options to accommodate residents and visitors.

Approval of the Project will provide tax revenue to the City as well as serve as an employer. The Project will employ a variety of workers, strengthening the local job market and contributing more revenue to the local economy via the indirect multiplier effect. This effect (described as the economic impact in excess of an employee's wages to the local economy as a result of paying for local rent, groceries, etc.) continuously stimulates economic growth throughout the community.

⁴ Community Plan I-3.

2. That the project's location, size, height, operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety

The Project will only change the use of 1,059 square feet of interior space, add a 121 square foot outdoor eating area in the Property's courtyard, and add 121 square feet of sidewalk dining in the large public right of way on Cypress Avenue. There is no need for any construction that would negatively affect neighboring properties. The height of the Property will remain the same, as only interior work to the Property is proposed. The Project will be of compatible height with the size and height of the properties on the block which are all one to two story commercial structures.

The Project's operations are compatible with the neighborhood as well. There are restaurants in the neighborhood, however as mentioned above, they are mostly fast food restaurants and do not serve alcohol. Residents that live in the area will benefit from a new local eatery that services a full line of alcohol. The requested approval will allow the Project to compete with restaurants from outside the community that sell alcohol, offering its much-needed service, at the highest quality possible, to the local work force in the area.

The extended hours will not adversely affect or degrade adjacent properties or the surrounding neighborhood because of the Proposed Restaurant's modest nature. The Project is located in a commercial corridor and is surrounded by commercial uses. The residential area behind the Property will be buffered by the interior walls of the Proposed Restaurant, as well as the upper courtyard area. The ingress/egress faces Cypress Avenue, a busy, neighborhood serving commercial street. The Proposed Restaurant is also surrounded by various other commercial uses. The Proposed Restaurant is quietly tucked in between two neighboring commercial businesses in the Property. The extended hours will not affect the nearby residents, as the Proposed Restaurant is approximately 1,000 square feet with only 838 square feet of indoor and outdoor dining area. The sidewalk dining is also located on a large sidewalk area, and will beautify the public right of way.

3. That the project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any applicable specific plan.

The Project is in substantial conformance with the purpose, intent and provisions of the General Plan. The Property is categorized as Neighborhood Commercial in the Community Plan and corresponds with zones C1, C1.5, P, C2, C4, and RAS3 zones.

The Community Plan recognizes Cypress Park as a residential and small industrial community with commercial activities fronting Cypress Avenue. The Community Plan also describes Cypress Park as an area that was previously a major regional destination for dining and an international destination for tourist shopping.⁵ The Project is a step towards realizing Cypress Park's original intent, and improving Cypress Avenue. The introduction of alcohol and extended hours to the Proposed Restaurant would allow the local work force and residents to enjoy an alcoholic beverage with their meals, thus improving the economic vitality of the area and a step towards restoring a once great commercial corridor.

The Project also fulfills multiple purposes outlined in the Community Plan including the following⁶:

- *Improving the function, design, and economic vitality of the commercial districts;*
- *Preserving and enhancing the positive characteristics of existing uses and ensuring that future developments improve the identity and appearance of neighborhoods and communities by providing guidance regarding scale, height, bulk, setbacks, design, and landscaping; and*
- *Revitalizing commercial development sites with needed job producing uses that improve the economic and physical condition of the Community Plan area.*

Restaurants are an important component of any thriving community. The Proposed Restaurant works within the paradigms of the Community Plan. Restaurants with flexible hours that sell alcohol serve an important function to the local work force and residents. Local restaurants within walking distance of commercial and industrial uses help the community thrive by providing a vital service to the local work force, allowing local workers and residents to stay within the area rather than drive to a neighboring community.

The Project also reinforces many of the Community Plan's stated goals, including, but not limited to, the following:

Goal 2: Strong and competitive commercial areas that suitably serve the needs of the community and attracts customers from outside the plan area by satisfying market demand and maximizing convenience and accessibility while preserving unique historic and cultural identities of each commercial area.⁷

As mentioned above, the surrounding area is in dire need of new restaurants that can serve the local community and work force. Repurposing a commercial space to a restaurant use that serves alcohol is a necessity in the Community Plan area because of the serious lack of

⁵ Community Plan I-3.

⁶ Community Plan II-3.

⁷ Community Plan III-11.

restaurants. The Project would maximize convenience and accessibility to the nearby work force by providing an option of a well designed restaurant open at convenient hours.

*Objective 2-1. To conserve and strengthen potentially viable commercial areas in order to stimulate and revitalize existing businesses and create opportunities for appropriate new commercial development.*⁸

The Project is located in an existing commercial building in a C4 zone. The Project is exactly the type of business the General Plan intended for the specific zoning. A smaller, local eatery that can serve its patron an alcoholic beverage at convenient hours. The use will allow for the conservation of the commercial area, and will stimulate and revitalize nearby existing businesses by bringing a new use to the area that the local work force and residents can enjoy.

Policy 2-1.2 Protect commercially planned/zoned areas, from residential-only development.

The Project will be a commercial development in a commercial zone.

Objective 2-2. To enhance the identity and appearance of commercial districts.

The Project will enhance the identity of the commercial district by allowing a new restaurant to thrive in the neighborhood. Applicant intends to revitalize the Proposed Restaurant space and Property, making it more attractive to nearby residents and workers. In turn, this will enhance the identity and appearance of the entire commercial district.

*Policy 2-3.1. Encourage the formation of pedestrian-friendly shopping environments.*⁹

The Project is located on a commercial corridor with sidewalk dining. These factors encourage walkability.

Additional Alcohol Related Findings

The Applicant submits the necessary findings for 12.24.W.1, requesting approval for alcohol related uses:

1. That the proposed use will not adversely affect the welfare of the pertinent community.

The Property is located in a commercial corridor, surrounded by local businesses. The pertinent community is surrounded by commercial, industrial, multifamily and single-family structures. The Project does not adversely affect the welfare of these neighbors. On the contrary, it will improve their welfare because of the introduction of a new dining option with a full line of alcohol and extended hours. Cypress Park residents desire an area where they enjoy spending

⁸ *Id.*

⁹ *Id* at III-12.

time. Accommodating this desire requires destinations for the local work force and residents to eat, drink, and congregate. The extended hours will not affect the welfare of the pertinent community because the Project contains only 838 square feet of indoor and outdoor dining area, and the Proposed Restaurant will face Cypress Avenue. The surrounding area on Cypress Avenue contains mostly commercial uses.

Restaurants serving alcohol are also not only the norm, but expected by the local community. Restaurants that tend not to serve alcohol are at a disadvantage because locals will not patronize an establishment which lacks something considered a standard. A place to congregate, eat and drink is a requirement for communities to thrive. Therefore, approving the Project to allow the on-site sale and consumption of a full line of alcoholic beverages with extended hours will not adversely affect the community's welfare.

2. **That the granting of the application will not result in an undue concentration of premises for the sale or dispensing for consideration of alcoholic beverages, including beer and wine, in the area of the City involved, giving consideration to applicable State laws and to the California Department of Alcoholic Beverage Control's guidelines for undue concentration; and also giving consideration to the number and proximity of these establishments within a one thousand foot radius of the site, the crime rate in the area (especially those crimes involving public drunkenness, the illegal sale or use of narcotics, drugs or alcohol, disturbing the peace and disorderly conduct), and whether revocation or nuisance proceedings have been initiated for any use in the area.**

The State Of California's Business and Professions Code defines over concentration of on-site alcohol licenses as determined by a Census Tract's existing population scaled to the total number of alcohol licenses within the same Census Tract.¹⁰ Overconcentration also may be undue when the addition of a new license will negatively impact a neighborhood. However, overconcentration is not undue when approval of a license does not negatively impact the area, but rather advances the public welfare and convenience.

The Proposed Restaurant is located in Census Tract 1853.10. According to the California Department of Alcoholic Beverage Control (the "ABC"), currently there are two off-sale license types and no on-sale retail licenses within the Census Tract.¹¹ One of the off-sale locations, Cypress Liquor, is located within the Property, and is permitted to sell alcohol with a Type 21 license. The other location, S & J Liquor, is located at 925 Cypress Avenue (approximately 1600 feet from the Property), and is permitted to sell off-sale alcohol for off-site consumption with a

¹⁰ CA Business and Professions Code Section 23958.4(a)(2)

¹¹ ABC License Report. Accessed at: <https://www.abc.ca.gov/licensing/licensing-reports/adhoc-report/?RPTTYPE=8&CENSUS=1853.10> and <https://www.abc.ca.gov/licensing/licensing-reports/adhoc-report/?RPTTYPE=7&CENSUS=1853.10>.

Type 21. There are **no locations** within the Property's Census Tract with on-sale licenses that allow the sale of beer and wine or a full line of alcohol in a restaurant setting. Overconcentration occurs when the ratio of on-sale retail licenses to the population in the census tract or census division in which the applicant premises are located exceeds the ratio of on-sale retail licenses to population in the county in which the applicant premises are located.¹² "On-sale retail licenses" are defined as every type of on-sale license **except** Types 43, 44, 45, 46, 53, 54, 55, 56, and 62.¹³ The ABC's most current yearly report indicates there are 10,311 on-sale retail licenses within the County of Los Angeles.¹⁴ According to the US Census, Los Angeles County contains 10,105,518 residents,¹⁵ giving the County a ratio of one on-sale retail license for every 980 residents. According to the US Census, the Census Tract contains 3,327 residents.¹⁶ Therefore, the Census Tract can support at least three on-sale retail licenses. There are currently zero on-sale retail licenses in the Property's Census Tract. Therefore, an addition of one on-sale retail license would not produce an undue concentration.

As mentioned above, if all entitlements are approved (the Proposed Restaurant and neighboring tenants' CUPs), the Property would contain three on-sale licenses for the sale of alcohol. Assuming the addition of three on-sale retail licenses total on the Property the addition of the two other mentioned on-sale retail licenses would total three on-sale retail licenses, within the limit to avoid overconcentration.

The Proposed Restaurant's proposed on-site license does not meet the definition of an overconcentration of licenses because the Property's Census Tract is allowed three on-sale licenses, and the Project would result in one on-sale license (three on-sale licenses in total if the conditional use permits for the neighboring tenants are approved). Additionally, no other restaurant that serves alcohol is within 1,000 feet. The two businesses mentioned above are within 1,000 feet but are liquor stores with off-sale licenses. Therefore, the Project will not create an undue concentration of on-sale licensed businesses.

¹² *Id.*

¹³ *Id.* at (c)(5)(B)

¹⁴ ABC License Type Yearly Report, June 30, 2019. <https://www.abc.ca.gov/licensing/licensing-reports/license-summary-counts-for-fy-2018-19/retail-licenses-by-county/>

¹⁵ US Census 2019 Demographic Profile for Los Angeles County. <https://www.census.gov/quickfacts/fact/table/losangelescountycalifornia,CA/PST045218>

¹⁶ US Census 2010 Demographic Profile for Los Angeles County. http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml

3. **That the proposed use will not detrimentally affect nearby residentially zoned communities in the area of the City involved, after giving consideration to the distance of the proposed use from residential buildings, churches, schools, hospitals, public playgrounds and other similar uses, and other establishments dispensing, for sale or other consideration, alcoholic beverages, including beer and wine.**

The Project will have no detrimental effect to the residentially zoned because the addition of alcohol and extension of hours will not change the surroundings in any significant way. The Proposed Restaurant expects most of its business during dinner time. The nearby school, Aragon Avenue Elementary School operates during the day. The extended hours allow the Proposed Restaurant to operate well after the school is closed. Also, the school is located approximately 500 feet away, and is facing Roseview Avenue, a residential street away from Cypress. The Proposed Restaurant faces Cypress Avenue. The school will not notice the Proposed Restaurant's operation at all. Any activity that occurs will be contained within the Proposed Restaurant and towards Cypress Avenue. The extended hours will allow the Proposed Restaurant to compete with nearby businesses. The Project is approximately a thousand square feet of interior space and allows 40 interior seats, 10 courtyard seats, and 12 seats on the Cypress Avenue sidewalk. The Project is providing a barrier between the restaurant and the residentially zoned properties as shown in the site plan. Applicant will beautify the sidewalk pursuant to the R Permit, benefiting the neighborhood.

Findings Required for LAMC Section 12.24.W.27.B

4. **That based on data provided by the City Department of Transportation or by a licensed traffic engineer, that ingress to and egress from the project will not create a traffic hazard or cause significant traffic congestion or disruption of vehicular circulation on adjacent streets;**

The project will not create a traffic hazard or cause significant traffic because the change of use is permitted by right. Extension of hours will not affect traffic or congestion because they are well past peak hours. The Proposed Restaurant is relatively small in size and contains less than 900 square feet of dining area. The traffic for the Project will be negligible. The conditional use permit is required because of the requested hours of operation. The requested hours (from 11:00 PM until 1:30 AM) are well after the area's PM peak travel times.

5. That project approval will not create or add to a detrimental concentration of Mini-Shopping Centers or Commercial Corner Developments in the vicinity of the proposed project.

Project approval will not create or add to a detrimental concentration of Mini-Shopping Centers or Commercial Corner Developments in the Property's vicinity because the Project is merely a change of use, a conditional use for alcohol, and an extension of hours. The requested conditional use permit simply adds alcohol to a tenant space within an already established commercial corner development. Therefore, there is no creation or addition of Mini-Shopping Centers or Commercial Corner Developments.